

B.Com.(PA) DEGREE EXAMINATION, EVEN SEMESTER 2021
II Year IV Semester
Income Tax Law and Practice - II

Max.marks :25

Answer any **FIVE** questions (5 × 5 = 25) Marks

1. Mr. Kandhan sells his land for ₹25 lakhs on 1st May 2019, which was purchased in July 2001 for ₹5 lakhs. In Oct 2019 he made an investment in NHAI bonds for ₹4 lakhs and on 1.8.2019 he bought Rural Electrification Corporation Bonds for ₹2 lakhs. Find out the taxable capital gain for the assessment year 2020-21. If CII for 2001-02=100; 2019-20= 289.
2. A building (which was purchased in 2008) of X Ltd., an industrial undertaking is compulsorily acquired by the Government of Uttar Pradesh. Its W.D.V on 14.2.2019 was ₹3,50,000. The U.P. Government paid ₹6,00,000 on 25.5.2019 as compensation. The company purchased another building for industrial undertaking for ₹2,00,000 on 20th April 2020. Determine the amount exempt under section 54D and taxable capital gain for assessment year 2020-21. If CII for 2001-02=100; 2019-20= 289.
3. Compute other sources of Mr. Balan for assessment year 2020-21
 - a) Rent from vacant land ₹10,000
 - b) Rent received from sub-letting of a flat ₹12,000 p.m.
(Rent paid to landlord for the flat ₹6,000 p.m.)
 - c) Agricultural income from Bhutan ₹35,000.
 - d) Interest on bank deposit (Gross) ₹40,000
 - e) Income received from horse race (TDS ₹30,900) ₹69,100
 - f) Remuneration received as Chief examiner ₹10,000
(Expenses relating to this ₹2,000)
4. Sri Anand has the following investments for the previous year ended 31.3.2020.
 - i. 10% ₹30,000 Govt. securities
 - ii. 10% ₹40,000 Karnataka Govt. loan
 - iii. 10% ₹30,020 tax free debentures of a company
 - iv. 10% ₹20,000 Debentures (listed) of a coffee company
 - v. ₹7,110 received as interest on debentures of an unlisted company
 - vi. Received ₹18,000 as interest on tax free debentures (listed) of a company.He paid commission to his bank ₹500 for collecting the above amounts. Find out his taxable Income from interest on securities" for the A.Y 2020-21.
5. From the following particulars of income of assesses A, B and C, show capital losses is set-off and carried forward for the previous year ending 31.3.2020.

- (A) Business income ₹15,000
STCL ₹4,200
LTCG (shares) ₹9,500
Speculation business loss ₹2,000
 - (B) Business income ₹30,000
STCL ₹40,000
Speculation loss ₹10,000
 - (C) Business income ₹60,000
STCG ₹20,000
LTCG on land ₹17,000
Carry forward loss (STCA) ₹15,000
6. Calculate the taxable income of Mr. Shanmugam from the following if the gross total income is ₹2,50,000.
- a) Life insurance premium of Mrs. Shanmugam ₹900
 - b) Contribution towards LIC pension fund ₹1,000
 - c) Medical insurance ₹1000
 - d) Expenditure on medical treatment for disabled relative ₹14,500
 - e) Donation to Indian Army ₹5,000
 - f) Donation to Government of India for family planning ₹25,000
7. Bring out the role of Central Board of Direct taxes.