

3rd Semester Examination

ACCOUNTING & FINANCE
SPECIALISATION (Honours)

Paper : C 6-T

(Income Tax Law and Practice)

Full Marks : 40

Time : 2 Hours

The figures in the margin indicate full marks.

Candidates are required to give their answers

in their own words as far as practicable.

Illustrate the answers wherever necessary.

1. Answer any *five* questions : 5×2=10
- (a) Define the term 'person' as per IT Act.
- (b) State whether the following incomes are agricultural income or not —
- (i) Income from poultry and dairy.
- (ii) Income from sale of forest trees of spontaneous growth.

(2)

- (c) What do you mean by Tax evasion and Tax Planning?
- (d) Give two examples of income under the head 'income from house property' which are exempted from tax.
- (e) State the conditions of claiming additional depreciation on Machinery u/s 32.
- (f) Give the full form of the following terms.—
CBDT, TDS, TAN, ITR
- (g) Distinguish between Long term Capital Gain and Short term capital Gain.
- (h) Distinguish between Earned Income and Unearned Income.

2. Answer any *four* questions : 4×5=20

- (a) What is PAN? State the cases where quoting of PAN is compulsory. 1+4
- (b) What is unrealised rent? How is the same treated under the Income Tax Act? 2+3

(3)

(c) Mrs. P. Nag furnishes the following particulars for the year 2018-19 :

	Land in Urban area	Debentures in a Company
Date of acquisition	July 15,2013	Aug 21,2014
Date of Sale	May, 5, 2018	December 11, 2018
Cost of acquisition	Rs. 2,20,000	Rs. 1,45,000
Sale proceeds (stamp duty value Rs. 19,20,000)	Rs. 18,33,500	Rs. 7,28,500

Compute income from capital gains of Mrs. P. Nag for the relevant assessment year.

(d) P. Roy, an Assistant Professor of vidyasagar university, submits the following particulars of his income and outgoing for the year 2018-19 :

	Rs.
Salaries and allowances	78,840
Remuneration for setting question papers	1,500
Remuneration for acting as head examiner	1,200

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(4)

Interest from post office Savings Bank Account	1,500
Dividend from shares of an Indian Company	5,200
Interest from Bank	2,700

Compute his income chargeable under the head 'Income from other sources' for the relevant assessment year.

(e) Mr. X makes the following payments / investments during the previous year 2018-19.

LIC premium on own life (sum assured Rs. 1,00,000; policy is taken before 1.4.2012) - Rs. 25,000.

LIC premium on married daughter's life (Sum assured Rs. 1,50,000; policy is taken on 2.5.2012).

	Rs.
LIC premium on dependent brother's life (Sum assured Rs. 1,20,000)	11,200
Investment in NSC	20,000

(5)

Accrued interest on NSC
(including last year's interest Rs. 2,897) 5,036

Tuition fees of 2 children
(Rs. 15,200 + 16,000) 31,200

Calculate the amount of deduction u/s 80C.

(f) During the previous year 2018-19. Mr. Roy sells the following capital assets :

Asset	Sale Proceeds Rs.	Cost of acquisition Rs.	Year of acquisition Rs.	Fair market value of on 1.4.01
Land	1,66,62,000	40,00,000	2000	45,90,000
Gold	23,03,800	9,10,000	2000	9,00,000
Debenture	1,57,000	75000	2000	40,000

Assuming that his business income is Rs. 4,46,000, determine his net income for the assessment year 2019-20.

[Turn Over]

(6)

3. Answer any *one* question :

1×10=10

(a) CA Sarkar is a practicing chartered accountant at Kolkata. He deposits all receipts in his bank a/c and pays all expenses by cheques. Following is the analysis of his bank a/c for the year ending 31.3.2019.

Receipts	Rs.	Payments	Rs.
Balance b/d	14,000	Salaries to staff	14,000
Professional receipts	1,40,000	Rent of chamber	5,000
Dividend from Indian Company	10,000	Professional expenses	3000
House rent	25,000	Telephone expenses	2000
Horse race income	7,500	Misc. office expenses	4000
Loan from wife for purchase of car	1,00,000	Purchase of a car	1,15,000
		Motor car expenses	10,000
		Donation to Calcutta University	10000
		Household expenses	50000
		Municipal tax paid	5000
		Fire insurance premium for house property	2000
		Repairs for house	16,500
		Balance c/d	60,000
	1,96,500		1,96,500

(7)

Compute gross total income of CA Sarkar firm after taking into account the following :

- (i) 1/4 the of the motor car expenses relate to personal use.
 - (ii) Depreciation of the motar car as per IT Rules is Rs. 17,250 till.
 - (iii) He stays in his house, the municipal value of which is Rs. 18,000. Following are the expenses, which have been included in the above account in respect of his house
Municipal Tax Rs. 2,000. Fire insurance premium Rs. 500. 10
- (b) (i) CMA S. Mitra, a Management professional, goes out of India on 3rd June, 2018 for the purpose of joining a company in England. He is an Indian and before that he did not ever visit any foreign country. Determine his residential status for the assessment year 2019-20.

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(8)

(ii) The total income of Mr. Das for the assessment year 2019-20 is Rs. 2,70,000, which includes the following —

	<i>Rs.</i>
Long term capital gains	30,000
Winning from lotteries	20,000
Short term capital gains covered by section 111A	10,000
Agricultural income earned by him	50,000
Compute his taxable income.	3+7
