

**B. COM. DEGREE (C.B.C.S.S) EXAMINATION, MARCH 2018****(2015 Admission Regular)****SEMESTER VI - CORE****CO6B25B - INCOME TAX – ASSESSMENT AND PROCEDURE (T)****Time : 3 Hours****Maximum Marks : 80****Part A****I. Answer all questions. Each question carries 1 marks****(6x1=6)**

1. What is CII?
2. Mention four gifts exempted from tax.
3. What is aggregation of income?
4. State the powers of ITO.
5. Explain TCS and TDS.
6. Describe ITR 1 and ITR 4?

**Part B****II. Answer any Seven questions. Each question carries 2 marks****(7x2=14)**

7. What is indexed cost of acquisition?
8. Kalesh purchased a rented residential house in 1968 for Rs.2,00,000/- which he sold in October 2016 for Rs.39,00,000/-. Fair Market Value of the house as on 1st April 1981 was Rs.3,00,000. Compute his taxable capital gain.
9. Write any four specific incomes taxable under income from other sources.
10. Mr. Arun received the following incomes as interest on securities during the previous year 2016-17. Compute his income from other sources.

1. Interest on Government securities -- Rs.8,000
2. Interest on debentures of listed company -- Rs.7,200
3. Interest from a non listed company -- Rs.3,600
4. Interest on debentures of Reliance Industries -- Rs.7200

11. What is revocable transfer?
12. Mr. Anil gives the following particulars relating to the AY 2017-18. Compute taxable income of Mr. Anil.

1. Income from salary --> 3,50,000
2. Loss from house property --> 70,000
3. Business loss --> 1,20,000
4. Bank interest received --> 80,000

13. Which are the various income tax authorities for the purpose of Income Tax Act?
14. What is refund of tax?
15. What is garnishee order?
16. What is re-assessment?

**Part C****III. Answer any Five questions. Each question carries 6 marks****(5x6=30)**

17. Explain the computation of LTCG.

18. Mr. Arjun provides the following data regarding his transaction, for the sale of his residential house for the AY 2017-18. Compute the amount of Capital Gain to be included in the Total Income for the AY 2017-18:

1. House purchased in 1984-85 -- Rs.4,00,000
2. Sold in November 2016 -- Rs.60,00,000
3. Purchased another house in September 2016 -- Rs. 20,00,000
4. CII for 1984-85 -- 125

19. Explain the taxation of dividend received under the residuary head.

20. Compute income from other sources of Mr. Arun from particulars given below for the Assessment year 2017-18: (a) Interest (gross) on deposits with a company - Rs. 10,000 (b) University remuneration for working as an examiner - Rs. 8,000 (c) Royalty for writing books - Rs. 80,000 (He claims to have spent Rs.20,000 on writing these books) (d) Family pension received - Rs. 48,000

21. Explain the provisions relating with the clubbing of minor's income.

22. Master Vijay (16 years) has the following incomes during 2016-17:

1. Interest on bank fixed deposits – Rs.75,000
2. Interest on Govt securities – Rs.80,000
3. Interest on debentures –Rs. 40,000
4. Income by acting in a film – Rs.2,00,000
5. Income by a singing concert held by him – Rs.50,000
- His father's total income - Rs. 5,09,000.
- His mother's total income – Rs.5,09,100.

Decide about the person in whose hands the above incomes shall be taxable and the amount of income to be taxed.

23. What are the powers of Income Tax Officers?

24. From the following information compute total income of Sri. X for the assessment year 2017-18:

1. Gift from his sister in England – Rs.2,30,000
2. Gift from his friend on his birthday – Rs.10,000
3. Dividend from shares of various Indian companies – Rs.20,000
4. Gift from his mother's friend on his engagement – Rs.25,000
5. Gift from his fiancé – Rs.75,000
6. Interest from bank deposits (fixed deposit) – Rs.25,000
7. Rent from house property – Rs.1,00,000

#### Part D

**IV. Answer any Two questions. Each question carries 15 marks**

**(2x15=30)**

25. What is capital gain? Explain the exempted capital gains.

26. Following are the particulars of the income of Smt. Kiran:

1. Interest received on govt securities – Rs. 9,000
2. Dividend received from a foreign company – Rs. 8,000
3. Amount received from winnings of lottery – Rs. 66,500
4. Winning from wager – Rs. 25,000
5. Income from letting on hire the private car (letting on hire of car is not the business of Smt. Kiran) –Rs. 40,000
6. Family pension p.m – Rs. 1500

She incurred the following expenditures:

- Interest paid on loan taken to purchase shares and securities – Rs. 7,000
- Bank commission paid @ 2% for collecting dividends and interests.
- Spent Rs. 1,500 on purchasing lottery tickets
- Expenses of the private car for the period during which in was let out Rs 12,000 (including depreciation)

Compute the income of Smt. Kiran under the head 'Income from Other Sources' for the assessment year 2017-18.

27. Calculate the amount of deduction under section 80G:

1. Gross Total Income- Rs. 3,00,000
2. Deduction u/s 80C to 80U (except u/s 80G) - Rs. 50,000
3. Donations by cheques:
  - P.M. national Relief Fund- Rs. 30,000
  - Allahabad University—National Eminence - Rs. 20,000
  - Technology Development & Application Fund - Rs. 10,000
  - P.M. Drought Relief Fund - Rs. 10,000
  - Charitable Society - Rs. 10,000
  - Family Planning - Rs. 15,000
  - Sports Association - Rs. 20,000

28. Mr. Sraavan is a businessman. The particulars of his income are as follows for the AY 2017-18:

1. Business Income - Rs. 4,82,000
2. Income from House Property (computed) - Rs. 24,000
3. Interest on Government securities - Rs. 20,000
4. Long term Capital Gains - Rs. 12,000
5. Winnings from horse race - Rs. 7,000

He has paid life insurance premium amounting to Rs. 5,000. Compute his net tax liability.