B. COM. DEGREE (C.B.C.S.S.) EXAMINATION, MARCH 2017
SEMESTER VI - COMMERCE
COM6ITAP - INCOME TAX - ASSESSMENT AND PROCEDURE

Time: Three Hours   **Maximum Marks: 80**

PART A

I.   Answer all ten questions. Each question carries 1 mark.

1.   What is meant by grossing up of interest?
2.   What is converted property?
3.   What is return of loss?
4.   What is meant by best judgment assessment?
5.   What is short term capital gain?
6.   Who is an Assessing Officer?
7.   What is cost of acquisition?
8.   What are the powers of Income Tax Officer?
9.   Write a note on CGAS.
10. What are the provisions relating to interest on refund of tax?

(10 x 1 = 10)

PART B

II.   Answer any eight questions. Each question carries 2 marks.

11. Differentiate between long term capital asset and short term capital asset.
12. What are bond washing transactions?
13. What is deemed income?
14. What is TAN?
15. When is an assessee is entitled to get refund of tax?
16. What are the provisions regarding advance payment of tax?
17. When does an assessee requires tax clearance certificate?
18. What is deemed dividend?
19. Mention any four gifts exempt from tax.
20. What are the deductions allowed in case of family pension under the head income from other sources?
21. How will you treat the income earned by a minor child?
22. What is unexplained expenditure?

(8 x 2 = 16)

PART C

III.   Answer any six questions. Each question carries 4 marks.

23. Illustrate the incomes specifically charged under the head Income From Other Sources.
24. What is meant by clubbing of income?

25. What are the different methods of recovery of tax?
26. Explain the different types of assessment.
27. Explain the concept of TDS.
28. Mention any four cases where PAN is compulsory.
29. Compute capital gain from the following particulars given below:

    Mr X sold a house property on 15th March 2016 for Rs 35,00,000/-. He had purchased this property in 1981-82 for Rs 2,40,000/-. He spent Rs 50,000/- in 1992-93 for its improvement. CII for 1981-82 is 100 ,1992-93 is 223 and 2015-16 is 1081.
30. Mr Arun received the following incomes as interest on securities during the PY 2015-16.

    (a) Interest on Govt securities – Rs 8,000

    (b) Interest on tax free debentures of listed company – Rs 7,200

    (c) Interest on tax free debentures of unlisted company – Rs 7,200

    (d) Interest on less tax debentures of Reliance Industries – Rs 7,200

    Compute his income from other sources.
31. Mr Ashok gives the following details relating to the PY 2015-16:

    (a) Income from Business – Rs 1,00,000

    (b) Interest on Bonds – Rs 40,000

    (c) Income from House Property – Rs 72,000

    (d) Short term Capital Gain – Rs 30,000

    (e) Long term Capital Gain - Rs 70,000

    (f) Long term Capital loss – Rs 50,000

    (g) Loss from house property for PY 2014-15 - Rs 80,000

    Compute his gross total income.

(6 x 4 = 24)

PART D

IV. Answer any two questions. Each question carries 15 marks.

32. Discuss the hierarchy of Income Tax Authorities. Elucidate their powers.
33. Briefly explain the deductions under Section 80 of Income Tax Act.
34. From the following details find out taxable income from other sources.

    (a) Dividend on equity shares - Rs 1,200

    (b) Dividend from preference shares - Rs 2,600

    (c) Income from letting building along with plant – Rs 25,000

    (d) Interest on bank deposits – Rs 3,900

    (e) Ground rent – Rs 1,800

    (f) Income from lotteries (net) – Rs 70,000

    (g) Collection charges of divided – Rs 100

    (h) Depreciation on buildings – Rs 3,800

    (i) Fire insurance on buildings – Rs 150

35. From the following particulars of Mr Bensen, calculate his taxable income.

    (a) Income from salary – Rs 1,39,000

    (b) Business income – Rs 4,70,000

    (c) Royalty on books – Rs 30,000

    (d) Rent from house property (Computed) – Rs 14,000

    (e) Dividend income – Rs 15,200

(f) Bank Interest – Rs 8,800

(g) Income from Minor son – Rs 15,000

(h) Long term Capital gain – Rs 30,000

(i) Contribution to PPF – Rs 30,000

(j) Life insurance premium paid – Rs 10,000

(k) Health insurance premium paid by cheque – Rs 8,000

(l) Donation to NDF – Rs 35,000

(2 x 15= 30)