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Reg. No.....

Name.....

B.Com. DEGREE (C.B.C.S.) EXAMINATION, APRIL 2021

Sixth Semester

Optional Core—CO6OCT01—INCOME TAX—II

(B.Com. Model II Finance and Taxation B.Com. Model III Taxation, B.Com. Model I Finance and Taxation)

[2017 Admission onwards]

Time : Three Hours Maximum Marks : 80

Instructions to Private Candidates only : *This question paper contains* **two sections**. *Answer* **Section I** *questions in the answer-book provided.* **Section II Internal Examination** *questions must be answered in the* **question paper** *itself. Follow the detailed instructions given under* **Section II**.

Part A

Answer any **ten** *questions.*

Each question carries 2 *marks.*

1. What is slump sale ?
2. What is Gross Total Income ?
3. What is Tax Planning ?
4. State the deductions under Section 80U.
5. What is tax clearance certificate ?
6. What is grossing up of interest ?
7. What is agricultural income ?
8. What are short term capital assets ?
9. What are anonymous donations ?
10. Mr. Mehta received Rs. 10,15,000 from an Indian company on March 2021. What is his tax liability ?
11. Mr. Raju holds 5,400 debentures of SM Ltd. He gifted these debentures to his wife. Will the income from debentures be clubbed with the income of Mr. Raju ?
12. Give an example for indexing of capital asset.

(10 × 2 = 20)

Turn over

Part B

Answer any **six** *questions.*
Each question carries 5 marks.

13. Discuss the calculation of tax on agricultural income.

14. Write short notes on : (a) Compulsory return ; and (b) Importance of PAN.

15. What is the significance of Capital Gain Account Scheme.

16. Compute total income of Ms. Laya for A.Y. 2021-22 from following information :

			Rs.
(a)	Taxable salary (Net)	...	1,40,000
(b)	Income from other sources	...	60,000
(c)	Agricultural income	...	4,000
(d)	She deposited in LIC annuity plan	...	18,000
(e)	She paid medical insurance premium by cheque for his dependant blind mother (certified as severe disable person), aged 68 years	...	20,000

17. Mr. Babu purchases a piece of agricultural land in urban area in 2006-07 for Rs. 1,00,000. He was using it for agricultural purpose and in March 2021 he sold the same for Rs. 12,00,000. He purchases another piece of agricultural land immediately for Rs. 5,00,000 and deposited Rs. 3,50,000 in Capital Gains Accounts Scheme, 1988.

    Find out Capital Gains Taxable if any, for the year 2020-21.

    Cost Inflation Index : 2006-07 - 122, 2020-21 - 301.

18. Calculate the total eligible amount of deduction Us 80 G for Mr. Ram for March 2021 :

			Rs.
(a)	Donation to National Foundation for communal harmony	...	4,000
(b)	Donation to Prime Minister's Drought Relief Fund	...	5,000
(c)	Donation to Approved Charitable Institution	...	12,000
(d)	Donation to Central Government for promotion of family planning	...	3,000
(e)	Donation to a poor boy for higher education	...	10,000
(f)	Donation of cloth to an approved institution worth	...	12,000
(g)	Donation to charitable institution for construction of home for a particular community	...	8,000

19. Compute Gross total income of Mr. Sam from following details for the A.Y. 2021-22 :

			Rs.
(a)	Income from house property A	...	60,000
(b)	Income from house property B	...	1,50,000
(c)	Income from house property C	...	1,00,000
(d)	Income from other sources	...	1,00,000
(e)	Losses u/s 22 for the A.Y. 2020-21	...	(30,000)
(f)	Losses u/s 22 for the A.Y. 1998-99	...	(15,000)
(g)	Losses u/s 56 for the A.Y. 2020-21	...	(45,000)

20. Mr. Prasad aged 42 years has non-agro income of Rs. 3,25,000 and agro income of Rs. 2,55,000. Compute his tax liability for the A.Y. 2021-22.

21. Find out the amount of advance tax payable by ABC Ltd. on specified dates for the F.Y. 2020-21 :

			Rs.
(a)	Business income	...	1,75,000
(b)	Long term capital gain on 31-7-2020	...	2,50,000
(c)	Bank interest	...	10,000
(d)	TDS on business Income	...	20,550

$(6 \times 5 = 30)$

Part C

Answer any **two** *questions.*

Each question carries 15 *marks.*

22. Ms. Ritu's Gross Total income is Rs. 10,50,000 which includes long term capital gains Rs. 1,00,000 interest on education loan repaid Rs. 16,000 and Accrued interest on NSC 10,000. She made the following donations during the previous year 2020-21.

Turn over

			Rs.
(a)	Prime Minister's Drought Relief Fund	...	20,000
(b)	National Foundation for Communal Harmony	...	15,000
(c)	National Blood Transfusion council	...	9,000
(d)	National Children's Fund	...	8,000
(e)	Notified Church at Goa	...	18,000
(f)	Government hospital for building expansion	...	15,000
(g)	Family planning Association of India	...	12,000
(h)	Recognized political party	...	5,000
(i)	Scholarships to poor students	...	10,000

During the year she paid Rs. 20,000 as medical insurance premium. Compute her Total Income.

23. Mr. Murthy retired from bank on 31.03.21. He gives the following particulars of his income earned during the previous year :

			Rs.
(a)	Salary (after deducting tax on employment Rs. 2,000 and income tax Rs. 12,000)	...	1,80,000
(b)	Own contribution to recognised pension fund	...	8,000
(c)	Pension	...	25,000
(d)	Club bills paid by employer	...	6,000
(e)	Share of profit from a partnership firm	...	50,000
(f)	Share of profit from a HUF in which he is a member	...	75,000
(g)	Amount received as interest on Government securities	...	1,10,000
(h)	Rent received from house property	...	33,000
(i)	Municipal tax due on house property	...	3,000
(j)	Long term capital gains	...	2,40,000
(k)	Received winning from lottery of Government of Kerala	...	1,40,000

Compute total income and tax payable for the Assessment Year 2021-22.

24. Mr. Prabhu submits the following details for the year 2020-21 :

(1)	Salary from income (computed)	...	24,000
(2)	*Income from house property* :		
	House A (Income)	...	10,000
	House B (Loss)	...	40,000
	House C (Self occupied) (Loss)	...	28,000
(3)	*Income from business* :		
	Cloth business (Profit)	...	10,000
	Hardware business (Loss)	...	12,000
	Speculation (Profit)	...	12,000
	Speculation (Loss)	...	17,000
(4)	*Capital Gains* :		
	Short term gain	...	8,000
	Short term loss	...	24,000
	Long term capital gain	...	8,000
(5)	*Other sources* :		
	Income from betting	...	12,000
	Loss from card games	...	6,000
	Income from card games	...	9,000
	Interest on securities (gross)	...	8,000

Show how the losses are set off and carried forward.

25. What is Assessment ? What are different type of assessment ? Discuss the power of income tax officers with assessment.

(2 × 15 = 30)