QP CODE: 20100484

20100484

Reg No : .....

Name : .....

BCOM DEGREE (CBCS) EXAMINATION, MARCH 2020

Sixth Semester

Optional Core - CO6OCT01 - INCOME TAX- II

B.Com Model II Finance & Taxation,B.Com Model III Taxation,B.Com Model I Finance & Taxation,

2017 Admission Onwards

F7132676

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**.

SECTION I

Time: 3 Hours Marks: 80

Part A

*Answer any **ten** questions.*

Each question carries 2 marks.

1. What is a capital asset?
2. What do you mean by cost of acquisition?
3. Difference between normal dividend and interim dividend?
4. Give any two deductions allowable under the head " income from other sources"?
5. What is inter source adjustment?
6. What is rebate under sec. 87A? Make a short note on rebate for the assessment year 2019-20.
7. What is assessment?
8. Who is a TRP?
9. What is Regular assessment?
10. What is TAN?
11. What do you understand by Collection of taxes?
12. What is refund of tax?

(10×2=20)

Part B

*Answer any **six** questions.*

Each question carries 5 marks.

13. Distinguish between long term and short term capital asset?

14. How is short term capital gain computed?

15. Explain the taxability of gifts recieved by an individual or HUF from an unrelated person?

16. Explain bond washing transactions?

17. From the following particulars compute the gross total income of Mr. Antony after setting of loss for the current assessment year:

Income from house property A	50,000
loss from house property B	80,000
income from interest on securities	2,00,000
Loss from cycle business	2,00,000
Profit from speculation business	2,00,000
Short term capital gains	2,50,000
Long term capital loss	60,000
Long term capital gains	2,10,000

18. Detail the deduction respect of royalty income of authors under section 80QQB

19. Mr Nabeel, a disabled earned a salary of 4,80,000 for the assessment year 2019-20. He deposited 20,000 in an unrecognised provident fund. He also paid life insurance premium of 45,000 on a policy taken on 15-09-2014 for a sum assured of 4,00,000. He also donated 20,000 to National Children's Fund by cheque. Compute his total income.

20. Describe the Powers of CBDT

21. How can the following assessees reduce their tax liability? A)Salaried Persons B)Owners of house Properties

(6×5=30)

Part C

*Answer any **two** questions.*

*Each question carries **15** marks.*

22. Mr Aneesh sold some of his properties during the year 2018-19 which are as under:

1. Jewellery costing Rs 1,60,000 was sold for Rs 3,00,000 in May 2018 (which was acquired by him in June 2018).

2. Residential building at Banglore which was inherited by him in 1974. Sale price on 31.12.2018 Rs 38,00,000. FMV as on 1.4.2001 Rs 2,00,000. Cost of improvement made during the year 2009-10 Rs 50,000. Expenses on transfer Rs 50,000.

3. Household furniture costing Rs 28,000 in 2000-01 was sold in March 2019 for Rs 52,000.

4. Machinery WDV on 1.4.2018 was Rs 76,000 was sold for Rs 90,000.

5. Self cultivated land was compulsory acquired under law Rs 14,00,000 on 1.1.19 and its cost in 2003-04 was Rs 1,30,800.

Compute his capital gains for AY 2019-2020. CII for 2001-02 - 100, 2003-04 -109, 2009-10 - 148 and 2018-19 - 280.

23. Dr. John is an assistant professor and a resident of India. He submits the following income for computing his income under the head "Income from other sources" for the A.Y. 2019-20.

1. Salary Rs.50, 000 per month from Srikrishna College of Commerce.
2. He received income from articles which were published in Vikalpa Rs.5000
3. He lives in a rented house paying a rent of Rs. 3000 per month. He has sub - let ½ portion of the house on a rent of 2000/month. Dr. John paid the municipal tax of Rs. 5000 for the whole house and also the current repairs of the whole house amounting to Rs.6000.
4. He is the author of a text book "Basics of Accounting" which fetched him a gross royalty of Rs.20, 000 in lump sum. He claims the following deductions from the amount: a) Salary to the clerk: Rs.3, 400 b) Telephone expenses: Rs 1600 attributed to the publication and sale of his book.
5. He received Rs.150 per lecture delivered at AB Institute during the previous year. He delivered 15 lectures during the previous year.
6. He received Rs.3000 as examiner remuneration and he incurred Rs 150 on postage in connection with the examination work which was reimbursed by the university.
7. Income from agricultural land situated in Orissa Rs.8000.
8. Received Rs.2000 as dividend from a Company in which public are substantially interested.
9. 8% Interest from Post Office Savings Bank on Rs.50, 000.
10. Dividend from UTI Rs.5000.

Compute the "Income from other Sources" of Dr. John for the assessment year 2019-20.

24. What is meant by clubbing of income? What are the circumstances under which the income of other persons are included in assessee's total income?

25. Mr. Gireesh is a retired employee from ONGC Ltd. He is 72 years old. He provides the following particulars on his earnings and spending during the year ended on 31 March, 2019.

1. Monthly pension from ONGC Ltd. – Rs. 50,000
2. Interest received from a fixed deposit in SBI – Rs. 1,80,000
3. Interest received from Government securities – Rs. 50,000
4. Monthly rent received from a let out building – Rs. 25,000
5. Interest paid on a loan taken for the construction of a house which is being self-occupied by him – Rs. 85,000
6. Short term capital gain earned from sale of shares in Wipro Ltd. which was subject to payment of securities transaction tax – Rs. 25,000
7. He is suffering from a specified neurological disease and spent Rs. 80,000 for its treatment during the year.
8. He contributed Rs. 50,000 by cheque to Kerala Chief Ministers' Distress Relief Fund, in connection with flood relief activities in Kerala.

Compute net tax payable by him for the Assessment Year 2019-20.

(2×15=30)