

D 11578

(Pages : 4)

Name.....

Reg. No.....

**THIRD SEMESTER M.Com. DEGREE (REGULAR/SUPPLEMENTARY)
EXAMINATION, NOVEMBER 2021**

[November 2020 for SDE/Private Students]

(CBCSS)

M.Com.

MCM 3C 12—INCOME TAX LAW, PRACTICE AND TAX PLANNING—I

(2019 Admission onwards)

Time : Three Hours

Maximum : 30 Weightage

General Instructions (Not applicable to SDE/Private Students)

1. *In cases where choices are provided, students can attend **all** questions in each section.*
2. *The minimum number of questions to be attended from the Section / Part shall remain the same.*
3. *The instruction if any, to attend a minimum number of questions from each sub section / sub part / sub division may be ignored.*
4. *There will be an overall ceiling for each Section / Part that is equivalent to the maximum weightage of the Section / Part.*

Part A

*Answer any **four** questions.
Each question carries 2 weightage.*

1. What is Belated Return ?
2. Who is Assessee in Default ?
3. What is Block of Assets ?
4. Define Long Term Capital Gain.
5. What is Tax Evasion ?
6. What is Tax Clearance Certificate ?
7. What is Faceless Assessment ?

(4 × 2 = 8 weightage)

Part B

*Answer any **four** questions.
Each question carries 3 weightage.*

8. Explain the procedures for E-filing of IT Return.
9. Write notes on Deductions U/S 80 C.

Turn over

10. Explain the powers of CBDT.

11. The particulars of a residential house are given below for the Assessment Year 2020-21 :

1. Municipal value	Rs. 44,000
2. Fair rent	Rs. 48,000
3. Standard rent	Rs. 36,000
4. Actual rent	Rs. 37,200
5. Municipal taxes paid	Rs. 8,800
6. Ground rent payable	Rs. 60
7. Interest on money borrowed for construction	Rs. 5,000
8. Collection charges actually paid	Rs. 300

The assessee mortgaged the property for Rs. 36,000 which was spent on his daughter's marriage. The assessee paid interest of Rs. 3,000 on the mortgage loan this year. Compute his income from house property.

12. Shri. Manoj Kumar is getting Rs. 15,000 p.m as basic pay, Rs. 1,500 p.m. as dearness pay and Rs. 500 as dearness allowance. During the previous year he received the following allowances also :

1. Rs. 60,000 as an running allowance for reimbursement of personal expenditure while on duty during the running of a truck.
2. Rs. 120 p.m per son as education allowance for the education of his two children.
3. Both these sons are living in a hostel on whom Sri. Manoj Kumar is spending Rs. 500 p.m per son. He is getting Rs. 350 p.m per son as hostel allowance for meeting this expenditure.
4. Rs. 350 p.m as Tribal Area Allowance.
5. Rs. 100 p.m as conveyance allowance which is used by him for private purposes.
6. Rs. 3,000 p.m as HRA.

Shri. Manoj Kumar has taken a house for his residence at Bilaspur at Rs. 4,000 per month as rent. He contributes 12% of his basic pay and dearness pay to his RPF and the employer also contributes a similar amount. Compute taxable salary of Sri. Manoj Kumar for the Assessment Year 2020-21.

13. In what circumstances is the income of one person treated as the income of another ?

14. The following details have been supplied by Mr. X, Karta of HUF. Compute the total income and tax liability of the HUF for the Assessment Year 2020-21 :

1. Short term capital gain	Rs. 7,500
2. Long term capital gain	Rs. 7,400
3. Profit from business	Rs. 4,20,000
4. Profit from firm	Rs. 22,000
5. Rental income from property let	Rs. 18,000
6. House tax on above property	Rs. 2,000
7. Interest on securities of a listed company (Net)	Rs. 9,000
8. Contribution to LIC premium in the name of a member of the family	Rs. 10,000
9. Medical premium paid in cash	Rs. 5,000

(4 × 3 = 12 weightage)

Part C

*Answer any two questions.
Each question carries 5 weightage.*

15. What is Tax Planning ? Explain the need and limitations of Tax Planning.
16. What is Return ? Explain the different Types of Return.
17. From the following particulars of Miss Minal Bhatnagar calculate her total income and tax liability for the Assessment Year 2020-21 :

• Net Salary	Rs. 6,68,000
• Business income	Rs. 1,83,000
• Royalty on CBSE books	Rs. 66,000
• Rent from house Property	Rs. 36,000
• Dividend from Indian company	Rs. 28,500
• Bank interest on time deposit	Rs. 16,600
• Income of minor child	Rs. 15,500
• Long term capital gain	Rs. 28,000
• Contribution to PPF	Rs. 40,000
• Life insurance premium paid	Rs. 26,000
• Medical insurance premium paid in cheque	Rs. 32,000
• Donation to national defense fund by cheque	Rs. 10,000

Turn over

18. Mr. Vineeth is a cloth merchant. From the following P&L A/c for the year ended 31st March, 2020 compute his income from business and his gross total income for the Assessment Year 2020-21 :

Particulars	Amount	Particulars	Amount
Salaries and Wages	15,000	Gross profit	2,70,000
Rent and Taxes	4,000	Dividend on shares (Gross)	4,000
Domestic expenses	2,000	Rent from let out house	10,000
TDS on interest	500		
Income tax	1,200		
Postal charges	1,500		
Donation	2,500		
Life insurance premium	2,000		
Audit fees	1,500		
Bad debts reserve	1,800		
Bad debts	2,500		
Depreciation	5,000		
Net profit	2,44,500		
	2,84,000		2,84,000

Additional information :

- Rent and Taxes include Rs. 2,000 paid as municipal tax on house let out.
- Value of Life insurance policy is Rs. 18, 000.
- Donation was given to an approved institution.
- Permissible depreciation was Rs. 4,000.

(2 × 5 = 10 weightage)