



(Pages : 4)

B – 3807

Reg. No. :

Name :

Third Semester B.Com. Degree Examination, December 2016
Career Related First Degree Programme under CBCSS
2(a)-Commerce and Tax Procedure and Practice
Vocational Course IV : CX 1372
INCOME TAX LAW AND ACCOUNTS – II
(2013 Adm. Onwards)

Time : 3 Hours

Max. Marks : 80

SECTION – A
(Very short answer type)

Answer **all** questions in **one** word to maximum **two** sentences. **Each** question carries **1** mark.

1. What is meant by short-term capital gain ?
2. What is the maximum amount of deduction that one can avail u/s 80C during PY 2014-15 ?
3. Name the head under which the dividend declared by an Indian company is taxable.
4. Write two examples for casual income.
5. Specify the rule regarding carry forward of speculation losses.
6. Who can claim deduction u/s 80U ?
7. Define revocable transfer of assets.
8. Name the head under which the salary to MP/MLA is taxable.
9. What is converted property ?
10. What does Section 80G of Income Tax Act, 1961 deals with ? **(10×1=10 Marks)**

P.T.O.



SECTION – B
(Short answer type)

Answer **any eight** questions in **one** paragraph **each**. **Each** question carries **2** marks.

11. What is meant by grossing up interest ?
12. List out any four investment schemes qualified for deductions u/s 80C.
13. Distinguish between intra head setoff and inter head setoff.
14. Write a short note on the significance of 'Capital Gain Account Scheme' in reducing tax liability of an individual.
15. Discuss the taxability of long term capital gain from security investments in India.
16. List out any four assets which are excluded from the meaning of capital assets as per the Income Tax Act.
17. What is meant by 'bond washing transaction' ?
18. Define the term 'dividend' as per the Income Tax Act.
19. State the provisions regarding the taxation of 'Family Pension' in India.
20. Discuss the taxability of agricultural income.
21. Differentiate between Gross Total Income and Total Income.
22. Examine the taxability of 'interest income' in India. **(8×2=16 Marks)**

SECTION – C
(Short Essay)

Answer **any six** questions in **not** exceeding **120** words. **Each** question carries **4** marks.

23. Mention the various deductions allowed under the Act while computing income under the head 'Income from other sources'.
24. Discuss the exemptions provided under Section 54 and 54B.
25. State the taxability of 'Dividend Income'.
26. Compare the short term capital gain with long term capital gain in terms of their taxability.
27. Briefly discuss the provisions regarding the set off and carry forward of business losses and unabsorbed depreciation.



28. From the following data you are required to work out the capital gains for the Assessment Year 2015-16.

	(Rs. in lakhs)
1) Site purchased in 1975 value	10
2) Market value of site on 1-4-1981	15
3) Ground floor: cost of construction in 1981	30
4) First floor: cost of construction in 1985	45
5) Sale value of the property in March 2015	1000
6) Investment in new property	100

Assume that property being sold and the new property acquired are both residential. Cost Inflation Index was 1985-86:133 and 2014-15:1024.

29. Discuss the taxability of the following receipts in the hands of X.

- 1) He receives Rs. 2,00,000 in cash as marriage gift from his uncle on February 14, 2015.
- 2) He receives 100 shares in A Ltd. (Fair market value being Rs. 50,000) on his birthday on April 25, 2014 from his friend Y.
- 3) He receives Rs. 75,000 from his sister living in UK on November 5, 2014.
- 4) He gets a Mobile phone (value being Rs. 50,000) from his relative on September 5, 2014.

30. The business income of an individual for the A.Y. 2015-16 has been determined by the assessing officer at Rs. 3,50,000. Later it is found that he has not considered the following while determining the income :

- 1) Depreciation for the current year Rs. 12,000
- 2) Unabsorbed depreciation carried forward Rs. 15,000
- 3) Unabsorbed loss carried forward from
A. Y. 2014-15 Rs. 3,000

Determine the Total Income for the A. Y. 2015-16 after showing the sequence of set off in correct order.

31. The following are the income earned by the members of a family.

Krishna's income from business	Rs. 5,00,000
Mrs. Krishna's salary	Rs. 2,00,000
Kiran's (minor son) interest income	Rs. 50,000
Swetha's (minor daughter) income from music contest	Rs. 50,000

Compute the Gross Total Income of each of the members in the family.

(6×4=24 Marks)



SECTION – D
(Long Essay)

Answer **any two** questions, in **not** exceeding **four** pages. **Each** question carries **15** marks.

32. Explain the provisions regarding clubbing and aggregation of income.
33. Explain the important deductions available to companies in India under Section 80 of Income Tax Act, 1961.
34. From the following particulars of income of Assessee A and B, how the capital losses shall be set-off and carried forward for the previous year ending on 31-3-2014 ?

Assessee A :	Rs.
Business income	50,000
Short-term capital loss	12,000
Long-term capital gain (shares)	15,000
Long term capital gain on sale of jewellery	20,000
Assessee B :	
Business income	30,000
Short-term capital loss	40,000

35. Mr. Soni whose gross total income is Rs. 40,00,000 makes the following deductions by cheque during the P.Y. ending on 31-3-3015.

	Rs.
1) PMs National Relief Fund	1,00,000
2) National Defence Fund	2,00,000
3) Temple of Public Worship (notified)	2,00,000
4) Local college for the construction of commerce block	1,00,000
5) Poor student as aid	10,000
6) Municipal committee	1,00,000
7) Promotion of family planning	50,000
8) CMs Earthquake Relief Fund, Maharashtra	20,000

Compute his total income for the A. Y. 2015-16

(2x15=30 Marks)