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**F – 4177**

Reg. No. : .....

Name : .....

**Third Semester B.Com. Degree Examination, January 2019**  
**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**

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

1. What is the rate of income tax on LTCG ?
2. What is Section 80G ?
3. For how many years loss on speculation can be carried forward ?
4. With whose income the income of the minor child is clubbed ?
5. What is the year of Income Tax Act ?
6. Profit arising from the sale of a depreciable asset is called
7. What is meant by TDS ?
8. What is PAN ?
9. What is GTI ?
10. Mrs. Rani received a family pension of 50,000 rupees. How much is taxable ?  
**(10×1=10 Marks)**

**SECTION – B**

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

11. What is benami transaction ?
12. How will you treat dividend received ?

P.T.O.



13. Define capital asset. Give examples of capital assets.
14. Explain indexation in connection with capital gains.
15. What is the treatment of capital gain when there is a compulsory acquisition of an asset ?
16. Give any four cases in which the indexation of cost is not to be done while calculating long term capital gain.
17. Why income from other source is called residuary head of income ?
18. What is the deduction available under Section 80E and for what ?
19. Explain rebate of tax.
20. Explain cost to previous owner.
21. What you mean by set off of losses ?
22. What is the rate of tax on STCG ? (8×2=16 Marks)

#### SECTION – C

Answer **any six** questions. Answer **not** to exceed **120** words. **Each** question carries **4** marks.

23. What are the various deductions available from income from other sources ?
24. What you mean by tax free non government securities ?
25. What is tax treatment of sale of shares, bonus shares and right shares ?
26. What is transfer of capital assets ?
27. Write a note on rounding of income and rounding of tax.
28. What deductions are admissible to an individual for making certain payments ?
29. What are the conditions for claiming exemptions of capital gain on transfer of agricultural lands situated in urban area ?



30. Mr. X owns a residential house at Mysore, from the following information, compute the amount of capital gain :

Cost of construction (1988-89)	:	400,000
Cost of additions (1997-98)	:	200,000
Sale consideration (10-10-2014)	:	40,25,000
Expense on transfer	:	20,000

Cost of new house purchased in Chennai (on 15-1-2015) : 500,000 (house is half finished)

Amount deposited in capital gain deposit scheme : 300,000.

(CII 88-89 : 161, 94-95 : 259, 97-98 : 331, 2014-15 : 1024)

31. Mr. X received the following gifts during the previous year :

- He received a gift in cash of Rs. 20,000 from his uncle on 30-6-2014.
- He received a cheque of Rs. 30,000 as a gift from his brother on 10-11-2014.
- He received a gift of 21,000 on his wedding from Mr. Y on 1-12-2014.
- He received Rs. 25,000 as gift from his non-resident friend Mr. B on 30-12-2014.
- He received a gift of Rs. 51,000 from his brother in law on 31-1-2015.
- He received Rs. 5,000 from Mr. C, his resident friend on 15-2-2015.

Calculate taxable gift chargeable under head other source. (6×4=24 Marks)

#### SECTION – D

Answer **any 2** questions in **not** exceeding **four** pages. **Each** question carries **15** marks.

32. Mr. B who is resident of India furnished the following particulars of his investments for the previous year ended 31<sup>st</sup> March, 2015.

- 5000 units of mutual fund (gross income Rs. 1,200).
- Rs. 30,000 in Post Office Savings Bank Account which earns interest @ 4% p.a.
- Rs. 45,000 in Fixed Deposit A/c with SBI on which interest 9% is payable.
- 12% Rs. 40,000 debentures (listed) of tea company.
- Rs. 2,000 interest received on National Development Bonds.
- Rs. 1,000 interest received on the debentures of a co-operative society.
- 10% State Electricity Board Bonds Rs. 20,000.



VIII) Rs. 10,000 in 7 year post office NSC interest @ 7% p.a. is payable on the same every year.

IX) Rs. 36,000, 10% tax free debentures of Agra Municipal Corporation. Interest being payable on 31<sup>st</sup> December.

X) Rs. 900 received by an account payee cheque as interest on debentures (listed) of a company in which public are substantially interested.

He collected the entire amount himself and claimed Rs. 200 as his own fees for collection of interest,

XI) Interest on Post Office NSC VIII<sup>th</sup> issue Rs. 5,000.

Calculate the taxable income under the head "income from other source".

33. Mr. G had purchased a house in 1978 at a cost of Rs. 80,000. He spent Rs. 10,000 on the house for its improvement in 1979. He constructed first floor at a cost of Rs. 4,00,000 in July 2000. He spent Rs. 2,00,000 for making improvement to the house in August 2009. He sold the house in March 2015 for Rs. 62,00,000 and purchased a new house in May 2015 for Rs. 20,00,000 and deposited Rs. 17,00,000 in capital gain account scheme.

Compute his capital gain assuming that the Fair Market Value of the house as on 1-4-1981 was 1,10,000.

Cost inflation index : 2000-01 – 406, 2009-10 – 632, 2014-15 – 1024.

34. Describe exempted income for employees.

35. Mr. X has the following investments in the previous year ended 31<sup>st</sup> March 2015 :

Rs. 35,800, 10% Karnataka State Govt. loan.

Rs. 30,000, 13.5% listed debentures of KMT Ltd.

Rs. 35,000, 11% securities of Sugar Mill Company (not listed).

Rs. 32,000, 10% tax free commercial securities (listed).

Rs. 1,100 received as interest on Tamil Nadu Govt. securities.

Rs. 3,600 received as interest on the securities of a paper mill company (not listed).

Rs. 4,500 received as interest on securities of Textile Company (listed).

Interest on all securities is payable on 30<sup>th</sup> June and 31<sup>st</sup> December. The bank charged 1.5% commission, net realization of interest as collection charges.

He was also a director in a company from which he received Rs. 3,000 as Director's fees.

His other incomes are : Winnings from lottery Rs. 25,000, Income from agriculture in Sri Lanka Rs. 10,000, Winnings from horse race Rs. 15,000, Interest on Post Office Savings Bank A/c Rs. 2,000.

Find out his taxable income from other sources.

(2×15=30 Marks)