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K – 2645

Reg. No. :

Name :

Third Semester B.Com. Degree Examination, March 2021
Career Related First Degree Programme under CBCSS
Group 2(a) – COMMERCE AND TAX PROCEDURE AND PRACTICE
Vocational Course IV
CX 1372 : RECOVERY AND REFUND OF INCOME TAX
(2019 Admission Regular)

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer **all** questions in one or two sentences each. Each carries **1** mark.

1. Write the reasons for arresting a defaulter under Income Tax Act?
2. How much is the TDS on payment of insurance premium?
3. What is Form 16 in income tax?
4. In which order, arrears of tax is recovered from movable property?
5. When can an officer break doors, windows etc of a building as per tax recovery procedure?
6. What is meant by 'PAYE'?
7. What is income tax refund?
8. In which circumstance, interest is not allowed on tax refund?
9. What is the interest levied for delay in filing the return of income?
10. Why tax recovery procedure is to be initiated?

(10 × 1 = 10 Marks)

P.T.O.

SECTION – B

Answer **any eight** questions in not exceeding **one** paragraph. Each question carried **2** marks.

11. Which are the amounts recoverable from a defaulter in a recovery procedure?
12. State the conditions of TDS on payment from employee provident fund.
13. Who are the persons responsible to deduct TDS on interest other than interest on securities?
14. State the TDS deductibility on insurance commission.
15. What is the significance of TAN?
16. How proclamation of an intended sale is made in a recovery procedure?
17. Which are the due dates for issuing TDS certificates?
18. Mr. Karnan let out his building to a bank @ Rs. 40,000 per month. During the financial year 2018-19, the bank credited 9 months' rent to his account and paid 3 months' rent in cash. Compute the amount of TDS to be deposited to the treasury, by the company.
19. Write any four TCS rates applicable on sale of goods.
20. How much advance tax must be paid in instalment at each time period for companies?
21. What are the circumstances in which an assessee is deemed to be in default in the case of advance tax?
22. What is the procedure for claiming eligible income tax refund?
23. What are the cases when interest is levied under section 234B?
24. What is the tax treatment of income tax refund?
25. What is the significance of Form 16?
26. Who is a tax recovery officer?

(8 × 2 = 16 Marks)

SECTION – C

Answer **any six** questions. Each question carried **4** marks.

27. State how attachment of movable/immovable property takes place under Income Tax Act.
28. What are the features of TDS on salary?
29. State the conditions relating to deducting TDS on winning from lotteries or cross word puzzles, etc.
30. Who is a 'seller' for the provisions of TCS?
31. In which cases, Tax not to be deducted at source from interest payable?
32. Calculate TDS in the following cases, if the recipient is an individual resident in India. Income from interest on listed securities Rs. 50,000. Payment of lottery winnings Rs. 5,000. Dividends from domestic company Rs. 5,00,000. Winning from a horse race Rs. 1,00,000. Insurance Commission Rs. 60,000.
33. Mr. Ramu, resident, has estimated the following taxable incomes for the financial year 2018-19. Calculate his total income with the following particulars : Income from business Rs. 1,20,000, LTCG on 10.10.2018 Rs. 25,000. Gross interest on fixed deposit from SBI Rs. 26,000. Dividend Rs. 3,000. He pays LIC premium on own life Rs. 25,000. He deposited Rs. 75,000 into provident fund. Contributed to chief ministers relief fund Rs. 25,000. Medical insurance premium paid Rs. 12,000.
34. What are the steps to pay advance taxes online?
35. Explain the procedure of TDS to be followed by an employer paying salary.
36. Mr. Mathukkutty is an engineer. The due date of filing the return of income in his case is 31st July, 2019. He filed his return of income on 9th January, 2020. His tax liability for the financial year 2018-19 is Rs. 8,400 (which is paid on 9th January, 2019). Will he be liable to pay interest under section 234A, if yes then what will be the period of levy of interest?
37. When TDS is not applicable?
38. What are the advantages of TDS?

(6 × 4 = 24 Marks)

SECTION – D

Answer **any two** questions. Each question carried **15** marks.

39. Explain the modes of Tax recovery
40. Explain the procedure of payment of advance tax.
41. Briefly explain the provisions relating to refund of tax.
42. State the situations in which tax should be deducted at Source.
43. Mr. Aanappan is a freelancer earning income from the profession of interior decoration. For the FY 2018-19, Mr. Aanappan estimates his annual gross receipts at Rs. 20,00,000. Mr. Aanappan estimates his expenses at Rs. 12,00,000. Mr. Aanappan has deposited Rs. 40,000 in PPF account. Mr. Aanappan has also paid Rs. 25,000 towards LIC premium. Further, Mr. Aanappan has paid Rs 12,000 towards medical insurance premium. The professional receipts of Mr. Aanappan are subject to TDS. Mr. Aanappan estimates a TDS of Rs. 30,000 on certain professional receipts for the FY 2018-19. Besides professional receipts, Mr. Aanappan estimates an interest of Rs 10,000 on fixed deposits held by him. Compute Mr. Aanappan's advance tax liability.
44. (a) Mr. Kutty is running a medical store. The due date for filing the return of income in his case is 31st July. He filed his return of income on 3rd December. Tax liability of Mr. Kutty for the year is Rs. 28,400 (which is paid on 3rd December). Advance tax paid by him is Rs. 15,000 and he has TDS credit of Rs. 5,000. Will he be liable to pay interest under section 234A, if yes then how much?

(b) Mr. Sundaran is a businessman. His tax liability as determined under section 143(1) is Rs. 28,400. He has not paid any advance tax but there is a TDS credit of Rs. 10,000 in his account. He has paid the balance tax on 31st July i.e. at the time of filing the return of income. Will he be liable to pay interest under section 234B, if yes, then how much?

(2 × 15 = 30 Marks)