

Reg. No. :

Name :

Second Year B.Com. Degree Examination, April 2021.

Part III

Paper IX : Optional Paper I

a) TAXATION LAW AND ACCOUNTS – I

(2006 Admission onwards)

Time : 3 Hours

Max. Marks : 100

Answers may be written either in English or in Malayalam

SECTION – A

Answer **any ten** questions. Each question carries **2** marks.

1. What is meant by Gross Total Income under Income Tax Act?
2. What is meant by clubbing of Income?
3. Define 'previous year' under Income Tax Act?
4. How is children Education Allowance taxed?
5. When will you call an AOP a resident in 1 hour?
6. Define the term 'Indian Company as per Income Tax Act
7. In which cases, accelerated assessment is done?
8. Define the term 'transfer' under Income Tax Act.

P.T.O.

9. Write any four situations when gifts are not taxable.
10. Define the term 'assessee'.
11. What is meant by standard rent?
12. What are bond washing transaction?

(10 × 2 = 20 Marks)

SECTION – B

Answer **any eight** questions. Each question carries **5** marks.

13. Which are the different types of Income Under Income Tax Act?
14. Ram provides following details of income, calculate the income which is liable to be taxed in India for the A.Y.2020-21 assuming that – (a) He is an ordinarily resident (b) He is not an ordinarily resident (c) He is a non-resident.

Salary received in India from a former employer of UK Rs. 1,40,000

Income from tea business in Nepal being controlled from India Rs. 10,000

Interest on company deposit in Canada (1/3rd received in India) Rs. 30,000

Profit from a business in Mumbai controlled from UK P£, 1,00,000

Profit for the year 2002-03 from a business in Tokyo remitted to India Rs. 2,00,000

Income from a property in India but received in USA Rs. 45,000

Income from a property in London but received in Delhi Rs. 1,50,000

Income from a property in London but received in Canada Rs. 2,50,000

Income from a business in Jamaica but controlled from Turkey Rs. 10,000

15. Compute gross total income of Mr. Jain during the year 2019-20, if he is nonresident

Income from salary in India From a Company in Japan Rs. 55000

Dividend from an Indian company received in USA (entire amount received and spent in England) Rs, 10000

Income from house property in India received in Pakistan Rs, 2000

Dividend from a foreign company received in England and deposited in a bank there Rs. 1000

Income from business in Kolkatta, managed from USA Rs. 12000

Income from business in USA (controlled from Kanpur head office) Rs. 1200

Income earned in Australia and received there, but brought into India Rs. 2500

His uncle sent a bank draft from London as a gift on his marriage Rs. 2000

16. X, a resident of Ajmer, receives Rs. 48,000 as basic salary during the previous year 2019-20. In addition, he gets Rs. 4,800 as dearness allowance forming part of basic salary, 7% commission on sales made by him (sale made by X during the relevant previous year is Rs. 86,000) and Rs, 6,000 as house rent allowance. He, however, pays Rs. 5,800 as house rent. Determine the quantum of exempted house rent allowance.
17. What is the exemption available on commuted pension?
18. Mr. Appu availed a loan of Rs. 10 Lakhs in 1983-84 for construction of a house. Later he took extension loan for the house twice. Rs. 7 Lakhs in 1989-90 and Rs. 3 Lakhs in 1998-99. He sold the property in January 2020 for Rs. 75 Lakhs. Selling commission Rs. 75,000. Compute capital gain assuming that the fair market value of the house on 1.4.2001 was Rs. 30 Lakhs
19. Important Ltd. is a power-generating unit. On 1-4-2017, it purchased a plant of Rs. 50,00,000 eligible for depreciation @15% on SLM. Compute balancing charge or terminal depreciation assuming the plant is sold on 21/4/2019 for: (a) Rs. 7,50,000 (b) Rs. 30,00,000 (c) Rs. 45,00,000 (d) Rs. 55,00,000
20. Which are the incomes taxed under the head 'Income from other sources'?

21. Ashok, an employee of ABC Ltd., receives Rs. 2,05,000 as gratuity under the Payment of Gratuity Act, 1972. He retires on 10th September, 2019 after rendering service for 35 years and 7 months. The last drawn salary was Rs. 2,700 per month. Calculate the amount of gratuity chargeable to tax.
22. How dividend is taxed?
23. Which are the items not treated as capital assets?
24. Which are the incomes absolutely charged under the head 'Income from other sources'?

(8 × 5 = 40 Marks)

SECTION – C

Answer **any two** questions. Each question carries **20** marks.

25. Ms. Daya was born in India in 1986. From 2006 to 2016 she was in Germany. From 1st April 2016 to 31/3/2017 she was in India. From 1/4/2017 to 31/3/2019 she was in Russia, On 1st April 2019 she came to India and is staying in India. What is her residential status in India for the previous year 2019-20
26. Mr. Anas donated following amount during the FY 2019-20. Calculate deduction allowable u/s 80G

	Rs.
Prime Minister National relief Fund	40,000
Swachh Bharath Kosh	20,000
Approved charitable institutions	1,50,000
Aid to poor students	2,000
Books donated to a college approved u/s 80G	6,000
State govt for family planning promotion	30,000
Jawaharlal Nehru University	10,000

His GTI for the year was Rs.8,25,000, which includes long term capital gains Rs. 25,000 and short term capital gain Rs.5,000 on transfer of equity shares u/s 111. He has incurred an expenditure of Rs.60,000 on the medical treatment of his handicapped dependent.

27. What are the incomes which do not form part of Total Income
28. Explain how house properties are classified for computation of their taxable income?

(2 × 20 = 40 Marks)