

Share of loss of a firm	Rs.36,000
Speculation loss	Rs.6,000
Dividend	Rs.10,000
Short term capital gain	Rs.3,000
Long term capital gain	Rs.42,000.

Or

Explain the various sources of income to an individual.

Reg. No. :

Code No. : 22116 E Sub. Code : SECO 6 A

B.Com. (CBCS) DEGREE EXAMINATION,
APRIL 2022

Sixth Semester

Commerce – Core

Major Elective – INCOME TAX LAW AND
PRACTICE – II

(For those who joined in July 2017 Onwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

- Capital gain on compulsory acquisition of lands and buildings are exempted from tax under
 - Sec.54
 - Sec.54B
 - Sec.54D
 - Sec.54F

2. FMV on 1.4.2001 is applicable to assets that were acquired
- before 1.4.2001
 - after 1.4.2001
 - on 2.4.2001
 - none of these
3. Salary of M.P is taxable under the head
- income from other sources
 - income from business
 - capital gain
 - income from salaries
4. Income from sub – letting of house property is:
- exempted
 - property income
 - capital gain
 - income from other sources
5. Casual loss can set – off against
- salaries
 - income from house property
 - casual income
 - none of these incomes

19. (a) Write down the procedure for assessment.

Or

- (b) Mr. Kaushik submits his gross total income for the previous year as Rs.7,50,000. He has contributed for the following funds, donations etc. Calculate his taxable income.

	Rs.
Payment towards Oriental insurance Mediclaim	5,000
Pension Fund of LIC	5,000
Rajiv Gandhi Foundation	15,000
Gujarat Earthquake Relief Fund	20,000
Prime Minister's Drought Relief Fund	50,000
Jawaharlal Nehru Memorial Fund	22,000
Towards repair work for temple	45,000
Donation for promoting minority community	50,000
His gross total income includes LTCG	2,00,000

20. (a) From the following ,compute total income of Mr. X for the year 2019-20:

Loss from house property	Rs.12,000
Interest received	Rs.6,000
Business income	Rs.70,000

Shares of loss in a firm	20,000
Loss in speculation	12,000
Dividend	5,000
Long term capital gain	26,000
Short-term capital gain	2,000

Compute the gross total income of Thiru. Suresh after setting off of the different losses against other incomes for the AY 2020-2021.

Or

From the following particulars of income and losses, calculate the gross total income of an individual after set off of losses for the current assessment year.

	Rs.
Income from house property 'A'	50,000
Loss from house property 'B'	80,000
Income from interest on securities	2,00,000
Loss from cycle business	2,00,000
Profit from speculation business	2,00,000
Gain from short term capital asset	2,50,000
Long term capital loss	60,000
Long term capital gain	2,10,000

6. Business loss cannot be set off against
 - (a) salaries
 - (b) income from house property
 - (c) capital gain
 - (d) business income
7. For the AY 2019—2020, the maximum permissible deduction u/s 80C is
 - (a) Rs.10,000
 - (b) Rs. 50,000
 - (c) Rs.1,50,000
 - (d) Rs.1,20,000
8. Which section of income tax act allows deduction of donation to PM national relief fund?
 - (a) 80C
 - (b) 80D
 - (c) 80E
 - (d) 80G
9. Rate of Health and education cess to be levied on income tax on every individual is

(a) 1%	(b) 2%
(c) 3%	(d) 4%

10. Rate of tax on casual income is

- (a) 10% (b) 20%
(c) 30% (d) 50%

PART B — (5 × 5 = 25 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 250 words.

11. (a) Find out taxable capital gain for the AY 2020-2021;

House purchased during 2004-05 (113) for Rs.3,48,000

House sold during 2019-20 (289) for Rs. 14,00,000

New house purchased in Jan 2020 for Rs.3,00,000.

Or

(b) What is cost of improvement?

12. (a) Compute the income under the head 'other sources, for the year ending 31.3.2020 of Mr.Arun.

(i) 5% Govt. securities Rs.70,000.

(ii) 7.5% Chennai municipal bond Rs.50,000.

(iii) 9% debentures of a company Rs.30,000.

(iv) 7% capital investment bond Rs.20,000.

Or

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17. (a) Compute income from other sources of Venu for the AY 2020-2021:

Dividend from UTI Rs.5,000

5% interest from post office savings bank a/c Rs. 10,000

Interest on fixed deposit from Punjab National Bank Rs.7,000

Rs.30,000 7% debentures of JCT mills Ltd.

Rs.50,000, deposit in Haryana financial corporation at 12% interest p.a

Rs.5,200 interest received on National Development bonds.

Rs.1,00,000, 8% tax free commercial securities.

The bank charges 2% commission on collection of net amount of interest and dividend.

Or

(b) Give examples for income from other sources.

18. (a) Following are the particulars of income of Thiru. Suresh for the previous year ended 31st March 2020:

	Rs.
Loss from house property	10,000
Interest received on sundry advances	4,000
Business income	1,00,000

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PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 600 words.

(a) Mr. Ganesh transfers the following assets on May 15, 2019.

Date of Acquisition	Cost	FMV on 1.4.2001	Sale Consideration
Land acquired in 1990	20,000	45,000	2,55,000
Goodwill	Self generated	10,000	1,75,000
Patent rights	Self generated	30,000	2,00,000

Compute the capital gains for the AY 2020-2021.

CII for 2001-02:100; 2019-20:289

Or

(b) Distinguish between STCG and LTCG.

(b) Miss. Selvi earned the following incomes during the previous year ending 31st March 2020. Compute her taxable income from other sources.

	Rs.
Income from agricultural land in Burma	3,60,000
Income from agricultural land in Kerala	1,80,000
Interest on fixed deposit in Indian Bank	16,200
Interest on post office saving bank a/c	13,500
Dividends from co-operative societies	12,000
Director's fees	54,000
Net winning from Manipur lottery	4,20,000

13. (a) Compute the gross total income of Mr. X from the following details:

	Rs.
(i) Speculation loss	60,000
(ii) Income from house property	5000
(iii) Non-speculation business income	1,00,000
(iv) Winning from cross-word puzzles	50,000

Or

- (b) From the following information submitted to you, compute the taxable income in the following

Rs.	Situation I (Rs)	Situation II (Rs)
Long-term capital gain/loss 3,00,000	(+) 1,70,000	(-)
Short-term capital gain/loss 1,10,000	(-) 50,000	(+)
Business loss 90,000	(-) 80,000	(-)

14. (a) Mr. Nerekar's previous year's gross total income is Rs.4,50,000. He has made the following donations. Calculate his net income.

- (i) Jawaharalal Nehru Memorial Fund- Rs.12,000
- (ii) Rajiv Gandhi foundation -Rs.8,000
- (iii) Africa fund -Rs.15,000
- (iv) Indira Gandhi Memorial Fund - Rs.14,000.

Or

- (b) Mohan, totally blind (severe disability), is working as an Assistant professor of Tamil in a Govt. College, Tamilnadu. He gives the particulars of his income for the AY 2020-2021:

Salary income Rs. 5,04,000

Bank interest Rs. 8,000

Find out the amount of deduction u/s 80U and total income for the AY 2020-2021.

15. (a) From the following, compute total income
- Income from salary (computed) Rs.5,00,000
 - Loss from house property Rs.75,000
 - Business loss Rs.1,50,000
 - Bank interest Rs.3,00,000.

Or

- (b) Mr. Bose has estimated the following incomes for the financial Year 2019-20

Income from House property Rs. 40,000 (taxable)

Income from profession Rs. 1,35,000 (taxable)

Income from securities of Govt. of India Rs. 25,000

Dividend from "X" & Co. Rs. 10,000

Determine the total income.