

2021
(December)

B.Com. 3rd Sem
(Income Tax Law and Practice)

Full Marks: 100
Pass Marks : 40

The figures in the margin indicate full marks for the questions.

Time: 3 Hours

Part A

Select any 10 questions from the following and answer

5x10=50

1. what is Income Tax? what are the features of income tax
2. Determine the status of the following persons :-
 - (a) Mirabai chanu
 - (b) (b) DM, University
 - (c) Imphal Municipal Corporation
 - (d) Reserve Bank of India.
 - (e) ABC Co Ltd.
3. Different between "Head of Income" and source of income .
4. Compute the tax liability of Mr. X an individual resident whose age is below 60 years and whose annual income during the previous year 2020 -21 was Rs. 6,50,000 , The following information given below
 - (i) standard deduction ws 16 (ia)
 - (ii) Repayment of housing loan Ro. 180,000
 - (iii) Apply under old regime method .
5. Mr A came to India for first time from USA on 30th June 2014 . He stayed here at a stressfor three years and left for Japan on 1st July 2017. He returned to India on first April 2018 and remained here till 31st July 2018 when he went back to USA , He again came to India raking an employment with and American concern on 20th January 2021. Determine his residential status for Ay 2021-2022
6. Calculate the amount of Basic Salary of an Asst. professor for the previous year 2020-21 who was appointed 1-1-2016 in the pay scale of Rs. 57700 . Annual increment is 3% on Basic pay. He get his increment after every 1st January and his salary is 1st of every months,
7. What is Pension ? Explain the tax treatment of uncommuted Pension and Commuted pension
8. How is the tax treatment of HRA? Explain the exemption of HRA u/s 10(13A) read Rule 2A

9. What are the incomes which are exempted from Income from House property u/s 10 of IT Act 1961?
10. Explain the procedure to determine A.V. of House property if house is let-out and there is no vacancy?
11. Compute the ARV for the P.Y 2020-2021 from the particulars given below:-

MRV	Rs 84,000 p.a.
FRV	Rs 90,000 p.a
SR	Rs. 78000 p.a
Real Rent	Rs. 8000 p.m
Unrealised Rent	Rs. 4000
Date of Completion	:- 31-7-2020
Date of letting	:- 1-10-2020

12. What is Pre-acquisition and Post- acquisition ? Explain the tax treatment of pre – acquisition with example .

Part B

All questions are Compulsory and each question are 10 marks

13. Write short note from the following:-
 - i. Financed Act and Finance Bill
 - ii. Exemption and Deduction
 - iii. Tented Income and casual Income
 - iv. Composite Rent
 - v. Specific persons

or

The following are the particular of the income of Mr . Suresh a non- Government employee for the year ended 31st March 2021 ;-

- i. Basic Pay Rs . 30,000 p.m
- ii. D.A. Rs 10,000 p.m.
- iii. House Rent allowance Rs. 9000 p.m. (Actual rent paid Rs . 10,000 p.m.
- iv. He and his employer contributes Rs. 4500 p.m. to R.P.F.
- v. Interest credited to his R.P.F balance @10% amounted to Rs. 24,000
- vi. During the year he paid Rs. 2400 as professional Tax .

Compute his Salary Income

14. What is Exempted Income ? Give eight examples of Incomes which are totally exempt from Income Tax .

Or

Mr Boren an employee of a Private concern not covered by the Payment of Gratuity Act 1972 , retire on Feb 22, 2021 after a Continuous service of 28 years 9 month and receives gratuity of Rs. 1,25,000 on march 2021 . The other relevant particulars are as follows :-

- | | |
|---|------------------------------------|
| a. Basic salary at the time of retirement (increment of Rs. 600 p.a. fell due on 1 st April of every year) | Rs. 7,200 p.m. |
| b. D.A(enter) | Rs 1,700 P.M. |
| c. HRA | Rs. 1500 p.m. |
| d. Commission | 5% of the turnover of Rs. 6,00,000 |

Compute the amount of gratuity received by Mr Biren Exemption from tax and find out taxable salary Income.

15. Explain the rules regarding valuation of Rent free house for unfurnished and furnished Accommodation if house is own by the employer and if house is hired by the employer .

Or

Compute taxable Salary Income of Mr. X for the AY 2021-22 and to find out tax payable from the following Information :-

- i. Basic salary Rs 84,000 pm
- ii. D.A. @20% on the basic pay
- iii. HRA @10% on the Basic Pay
- iv. SCA Rs. 7000 pm
- v. Children education Allowance received Rs 400 pm (for two child)
- vi. LIC premium paid Rs. 20,000 pm
- vii. Re payment of housing loan Rs 2,00,000 to SBI
- viii. Interest on loan (Housing Loan) Rs 2,50,000
- ix. Tax Computation (applicable to old Regime)

16. Compute Income under the Head of House Property under the following let – out house property ;-

- | | |
|--|------------|
| i. Rent received | Rs. 800 pm |
| ii. Municipal Tax
(Paid by the owner) | Rs . 1800 |
| iii. Rent collection Charges | Rs. 300 |
| iv. Repairing of the house | Rs. 1000 |
| v. Insurance of the house | Rs. 1000 |
| vi. Interest on housing Loan
(Borrowing from SBI) | Rs. 1000 |

Or

Explain the difference types of Rent Value which are using to determination of A.V. in case of Income from Housing Property under Let-Out.

17. Explain the Deduction U/S 24 (a) and (b) in case of Income from House property .

Or

Calculate the allowable interest on loan from NAV of the house property:-

- i. Date of borrowing loan = 1-6-2012
- ii. Date of repayment of loan = 10-5-2020
- iii. Date of Completion of construction = may 2017
- iv. Amount of loan borrowed = Rs 50,000
- v. Interest on loan = 10% p.a.