



K17U 1867

Reg. No.:

Name:

V Semester B.Com. Degree (CBCSS – Reg./Sup./Imp.)
Examination, November 2017
(2014 Admn. Onwards)
Core Course
5B13 COM : INCOME TAX LAW AND PRACTICE – II

Time : 3 Hours

Max. Marks : 40

PART – A

Answer **all** questions. **Each** carries $\frac{1}{2}$ mark.

1. _____ Loss can be set off against both short term and long term capital gain.
2. Business loss _____ set off against speculation profit.
3. TRP means _____
4. PAYE stands for _____ **(4x $\frac{1}{2}$ = 2)**

PART – B

Answer **any four** questions. **Each** question carries **one** mark.

5. What is TAN ?
6. What is intra-head set off ?
7. State the amount of deduction u/s 80D.
8. What is voluntary return ?
9. What is Tax clearance certificate ?
10. What is a Tax Holiday ? **(4x1 = 4)**

P.T.O.



PART – C

Answer **any six** questions, (**not exceeding one page**) **each** question carries **three** marks.

11. State the duties and responsibilities of income tax authorities.
12. What are the different types of assessment ?
13. Write short note on advance payment of tax.
14. Enumerate the provisions for clubbing of income.
15. The following are income and loss of Mr. X for the year 2016 – 17. Compute his total income.

	Rs.
a) Income from let out property	5,000
b) Loss from self-occupied house property	8,000
c) Interest on bank deposit	25,000
d) Loss from textile business	30,000
e) Profit from speculation business	20,000
f) Short term capital loss	6,000
g) Long term capital loss	25,000
h) Long term capital gain	20,000

16. The following are the information relating to Kripa Co-operative Society for the year 2016 – 17. You are required to compute the total income and tax payable for the year. The society is primarily engaged in the manufacturing of fruit products.

	Rs.
1) Income from manufacturing and marketing of fruits	85,000
2) Interest on deposit with the central co-operative society	16,000
3) Interest on government securities	8,000
4) Income from house property (computed)	10,000

It was revealed that the society had donated Rs. 10,000 to National Children's Fund during the year.

17. Mr. Prakash has a gross total income of Rs. 1,60,000 including LTCG of Rs. 20,000. He is eligible for a deduction of Rs. 10,500 for medical insurance premium paid u/s 80D. He has made the following donations during the year.

	Rs.
a) Zila Saksharatha Samithi	5,000
b) Food to orphanage worth	10,000
c) To a political leader	40,000
d) Approved charitable trust	4,000

Compute total income of Mr. Prakash for the year 2016 – 17.

(6×3=18)



PART – D

Answer **any two** questions, **each** question carries **eight** marks.

18. What are exempted incomes ? Explain any ten items exempted incomes.
19. A, B and C are partners in a firm, sharing in the ratio of 5 : 3 : 2. The P & L A/c of the firm for the year ending 31.03.2017 was as follows :

	Rs.		Rs.
Rent and taxes	6,000	Gross Profit	40,000
Salaries	9,000	Interest on securities	3,000
Electricity Charges	1,200		
Interest on Capital :			
A	2,000		
B	1,500		
C	1,000		
Depreciation	2,500		
Commission to C	1,000		
Reserve for bad debts	500		
Interest on loan to B	300		
Surplus :			
A	9,000		
B	5,400		
C	3,600		
	43,000		43,000

20. Mr. Girish is the director of Flix Ltd. drawing a salary of Rs. 12,000 per month. He also received the following amounts during the year 2016 – 17.

	Rs.
a) Directors Fees	40,000
b) Income from Agricultural land in Burma	59,000
c) Education allowance for his two childrens	2,000
d) Entertainment allowance	12,000

He was given a small car with driver used for both office and private purposes, all running and maintenance expenditure is being met by the company.

He had taken an insurance policy for Rs. 1,00,000 on his life and the premium paid is Rs. 10,000 during the year. Compute his income and tax payable during the year.

(2×8=16)