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B.Com. (CBCS) DEGREE EXAMINATION, APRIL 2021
SIXTH SEMESTER
COMMERCE– MAIN

MAJOR ELECTIVE - INCOME TAX LAW AND PRACTICE - I
(For those who joined in July 2017 onwards)

Time: Three hours

Maximum : 75 marks

PART–A (10X1=10 marks)

Answer all the Questions Choose the Correct answer

1. Which of the following is not a capital asset ?
a) agriculture land b) jewellery c) stock-in-trade d) goodwill
2. Exemption u/s 54B is allowed for investment in
a) shares b) agricultural land c) non-agricultural land d) residential house
3. Rate of TDS on unlisted company securities is :
a) 30% b) 12% c) 10% d) 11%
4. Income from maintenance of race horses is taxable under the head :
a) salaries b) income from business c) income from other sources d) capital gain
5. Loss from house property can be carried forward for
a) unlimited period b) 4 years c) 5 years d) 8 years
6. Unabsorbed depreciation can be carried forward for
a) unlimited period b) 4 years c) 5 years d) 8 years
7. Which of the following donations is eligible for 100% deduction ?
a) Indira Gandhi memorial fund b) J.N Memorial fund c) National cultural fund
d) PM National drought relief fund
8. How much is allowed as deduction u/s 80 DD for severe disability ?
a) Rs.10,000 b) Rs.50,000 c) Rs.1,25,000 d) none of these
9. An individual resident in India aged 80 years or more is exempted to pay income tax on his total income upto
a) Rs.1,80,000 b) Rs.2,00,000 c) Rs.2,50,000 d) Rs.5,00,000
10. Rate of income tax on winning from lottery , horse races is
a) 10% b) 15% c) 20% d) 30%

PART-B (5X5=25 marks)

Answer all the Questions Choosing either (a) or (b) Answer should not exceed 250 words

11. a) Calculate the taxable capital gain from the particulars given below:

(a) Net consideration of a residential house Rs.10,00,000 (2.6.2019) [CII:289]

(b) Cost of acquisition of the house Rs.3,00,000 (1.5.2007) [CII:129]

(c) New house acquired on 1.9.2019 for Rs.2,00,000.

b) What is LTCG ?

12. a) Mr. Kumaran's investments during the year ended 31st March 2020 Consisted of the following:

(a) Rs.25,000, 7% Government securities.

(b) Rs.15,000, 8% Agra Municipal Bonds.

(c) Rs.10,000, 7 year post office National savings certificates.

(d) Rs.10,000, 6% securities issued by a foreign government.

Find out his income from other sources.

b) Compute "income from other sources" from the following information for the financial year 2019-20 :

	Rs.
Amount won from Lottery	80,000
Betting on horse racing	8,000
Amount received from Lottery	63,000
Betting on horse racing received	42,000
Income from Lottery	1,800
Betting on horse racing	1,000

13. a) Calculate the total income of Ms.Priya from the following :

	Rs.
House property loss	70,000
Long term capital loss	15,000
Short term capital gain	40,000
Other sources income	30,000

(Or)

b) From the following particulars, compute gross total income:

	Rs.
Gain from Asset 'A' (Short-term)	3,12,000
Loss from Asset 'A' (Short-term)	80,000
Gain from Asset 'A' (Long-term)	5,56,000
Loss from Asset 'A' (Long-term)	5,90,000

14. a) The gross total income of Mr. Babu is Rs. 7,50,000. He has made the following donations. Calculate his net income.

	Rs.
(a) National foundation for communal harmony	15,000
(b) National children's Fund	30,000
(c) National Defence Fund	37,500

(5)

b) Calculate the deduction allowable u/s 80GG to an assessee having the following incomes for the previous year 2019-20.

	Rs.
Business income	1,10,000
Interest from Bank	10,000

Rent paid by him for a house occupied by him for the purpose of his residence is Rs. 1,250 per month.

15. a) Compute the total income of Mr. Rahim from the particulars given below:

	Rs.
(a) Business income	(+) 1,50,000
(b) Loss from self-occupied house	(-) 30,000
(c) Short term capital gain from Jewellery	(+) 8,000
(d) Short term capital gain from shares which are subject to securities transaction tax	(+) 65,000

b) Balu, a teacher in a college affiliated to Madurai Kamaraj University, furnishes the following particulars on the basis of which compute his total income for the AY 2020-2021.

(a) Salary @ Rs. 8,000 p.m: Rs. 96,000

(b) Wardenship allowance Rs. 1,000 p.m: Rs. 12,000

- (c) Examiner's remuneration from the university Rs.5,400
- (d) Royalty from books and articles Rs.18,000
- (e) Winning from card games in a club Rs.6,400
- (f) Winning from state lotteries Rs.20,000
- (g) Expenditure on purchase of lottery tickets Rs.10,000

PART-C (5X8=40 marks)

Answer all the Questions Choosing either (a) or (b) Answer should not exceed 600 words

16.a) Mr. H submits the following particulars about sale of assets during the year 2019-20.

Particulars	Jewellery Rs.	Plot Rs.	Gold Rs.
Sale price	2,40,000	5,24,000	3,00,000
Expenses on sale	-	24,000	-
Cost of acquisition	64,000	2,10,000	1,00,000
Year of acquisition	2007-08	2004-05	2009-10
C.I.I	129	113	148

He has purchased a house for Rs.12,00,000 on 1-3-2020. Calculate the amount of taxable capital gain if C.I.I for 2019-20 is 289.

(5)

b) Which assets are not included in capital assets ?

17.a) Sri Anand has the following investments for the previous year ended 31-3-2020:

- (a) 10% Rs.30,000 Govt. securities
- (b) 10% Rs.40,000 Karnataka Govt. loan
- (c) 10% Rs.30,020 tax free debentures of a company
- (d) 10% Rs.20,000 Debentures (listed) of a tea company
- (e) Rs.7,110 received as interest on debentures of an unlisted company
- (f) Received Rs.18,000 as interest on tax free debentures of a (listed) company

He paid commission to his bank Rs.500 for collecting the above amounts. Find out his taxable Income from 'other sources' for the AY 2020-2021.

(5)

b) What is casual income ? Give examples .

18. a) Following are the details relating to Srivatsan, a resident Indian, aged 57, relating to the year ended 31.3.2020:

	Rs.
Income from salary	2,20,000
Loss from HP	1,90,000
Loss from cloth business	2,40,000
Income from speculation business	30,000
Loss from specified business covered u/s 35AD	20,000
LTCG on sale of urban land	2,50,000
LTCG on sale of listed shares (STT paid)	1,10,000
Loss from card games	32,000
Income from betting	45,000
Life insurance premium paid	1,20,000

Compute the total income and show the items eligible to carry forward.

b) From the following information submitted to you, compute the total income of A for the assessment year 2020-2021 assuming he is not allowed any deduction under sections 80C to 80U.

	Rs.
Income from salary	1,80,000
Income from house property	40,000
Business loss	(-) 1,90,000
Loss from a specified business referred to in section 35AD	(-) 60,000
Short-term capital loss	(-) 60,000
Long-term capital gain	2,40,000

19.a) Mr. X's gross total income is Rs.6,00,000 for the previous year 2019-20. He paid for the following items:

	Rs.
(i) He contributed towards medical insurance premium by cheque	16,000
(ii) He contributed towards pension fund of LIC of India	12,000
(iii) He paid interest on loan taken for pursuing his higher study in management	15,000
(iv) He donated to National Defence Fund	10,000

Compute his total income.

(04)

b) Write a brief note on TDS.

20.a) From the following particulars, work out the tax payable by Mrs. Pinto, aged 70 years in respect of AY 2020-2021:

Family pension (Gross)	Rs.2,25,000
Income from HP (Net)	Rs.5,22,000
Income from other sources :	
Interest on bank deposits	Rs.45,000
Income from horse racing	Rs.60,000
Capital gain on transfer of land-long term	Rs.45,000
Agricultural income	Rs.75,000

(or)
b) State the rates of income tax for individuals.