



'समानो मन्त्रः समितिः समानी'

UNIVERSITY OF NORTH BENGAL
B.Com. Honours 3rd Semester Examination, 2023

CC6-COMMERCE
INCOME TAX LAW AND PRACTICE
OLD SYLLABUS

Time Allotted: 2 Hours

Full Marks: 60

The figures in the margin indicate full marks.

GROUP-A

Answer any two questions

12×2 = 24

1. (a) How is the residential status of an individual determined? 8+4
(b) "Incidence of tax depends on the residential status of an assessee". — Discuss.
2. Sri. S. Bose, an Indian resident furnished the following income earned during the year ended 31st March, 2023: 12
(i) Basic Salary- ₹30,000 p.m.
(ii) Dearness Allowance- 6% on Basic Salary.
(iii) Medical Allowance- ₹1,000 p.m.
(iv) Children Education Allowance- ₹400 p.m.
(v) Both Employer and Employee contributed 14% salary to RPF Account.
(vi) Interest credited to RPF account @ 12% amounting to Rs. 10,800.
(vii) Conveyance Allowance- ₹2,000 p.m. (60% for official purpose and 40% for personal purpose)
(viii) His employer provided him a car (1800 cc). The running and maintenance expenses including driver's salary were met by the employer.
(ix) Life Insurance Premium paid by the employer- ₹3,000.
(x) Professional Tax- ₹250 p.m.
Compute his Income from Salaries for the A.Y. 2023-24.
3. Prem owns a house in Kolkata during the previous year 2022-23, 2/3rd (two-third) portion of the house was self-occupied and 1/3rd (one-third) portion was let-out for residential purposes at a rent of ₹9,000 p.m. Municipal value of the property is ₹3,00,000 p.a. Fair rent is ₹2,70,000 p.a. and standard rent is ₹3,30,000 p.a. He paid municipal taxes @ 10% of municipal value during the year. A loan of ₹25,00,000 was taken by him during the year 2017 for acquiring the property. Interest on loan paid during the year was ₹1,50,000. 12
Compute Prem's Income from House Property for the A.Y. 2023-24.

4. (a) Define Capital Gains. Distinguish between short-term and long-term Capital Gains. 3+6+3
 (b) What are the Provisions of Section 54F?

GROUP-B

5. Answer any **four** questions: 6×4 = 24
- (a) Mr. Roy retired on 31.12.2022 and his pension was fixed at ₹7,200 per month. He got 3/4th of the pension commuted for which he received ₹3,60,000 from his employer. Calculate taxable amount of commuted value of pension if he gets gratuity. 6
- (b) Distinguish between Tax Planning and Tax Evasion. 6
- (c) Write notes on: 3×2 = 6
- (i) Profit in Lieu of Salary
- (ii) Leave Encashment.
- (d) Discuss the provisions regarding set-off and carry forward of losses. 6
- (e) Discuss the provisions regarding the deduction u/s 80D. 6
- (f) Following is the Profit and Loss Account of Mr. Ram for the year ended 31.3.2023: 6

Dr.	₹	Cr.	₹
To, Salary	2,00,000	By, Gross Profit	2,50,000
To, Depreciation	60,000	By, Commission	60,000
To, Audit fees	40,000	By, Bad debt recovered	50,000
To, Repairs	20,000	By, Sundry Receipts	40,000
To, Provision for IT	30,000		
To, Net Profit	50,000		
	4,00,000		4,00,000

Other information:

- (i) Depreciation includes ₹10,000 being unabsorbed depreciation of earlier years
- (ii) Out of bad debt recovered ₹20,000 were allowed as deduction earlier.
- Calculate the Business Income of Mr. Ram for the A.Y. 2023-24.

GROUP-C

6. Answer any **four** questions: 3×4 = 12
- (a) Write a short note on 'Assessee'. 3
- (b) Explain the deduction available u/s 24 to an Individual assessee. 3
- (c) What is Cost Inflation Index (CII)? 3
- (d) Mention any three income chargeable under the head 'income from other sources'. 3
- (e) Write a note on Gratuity. 3
- (f) Mention any three incomes that are fully exempted from tax. 3

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