UNIVERSITY OF NORTH BENGAL
B.Com. Honours 3rd Semester Examination, 2021

CC6-COMMERCE

INCOME-TAX LAW AND PRACTICE

Time Allotted: 2 Hours   Full Marks: 60

The figures in the margin indicate full marks.
All symbols are of usual significance.

GROUP-A

Answer any *two* questions   12×2 = 24

1. Miss Sutapa Roy joined L&T Ltd. on 01.08.2019 and furnished the following   12
    information for the year ended 31.03.2021:

    Basic salary ₹15,000 p.m.

    Dearness Allowance ₹4,000 p.m.

    Medical Allowance ₹2,000 p.m.

    Children Education Allowance ₹500 p.m. She has one adopted child.

    House Rent Allowance ₹2,000 p.m. She paid rent ₹3,000 p.m. for a House
    in Jalpaiguri.

    Her employee contributed 13% of basic

    Salary and D.A. to RPF. Interest Credited @ 16% to the said fund ₹4,800

    She provided with a motor car 1.6 ltr. Owned by employer along with
    driver. She use 40% for official purpose and 60% for personal use.

    Income Tax of ₹3,000 and Professional Tax of ₹1,200 deducted from her
    salary.

    Compute income from salary of Miss Roy for the assessment year 2021-22.

2. Mr. Etano submits the following particulars for the previous year 2020-21:   12

    Dividend received from Reliance Co. Ltd. ₹40,000

    Family Pension received ₹40,000

    Winning from Horse Race ₹23,000

Dividend received from foreign company ₹20,000

Winnings from Lottery (after deduction of tax @ 30%) ₹10,500

Subletting Rent received ₹20,000. Rent collection charges ₹2,500. Insurance Premium paid for House ₹1,000.

Compute his income from other sources for the assessment year 2021-22.

3. Shri Roy is the owner of three houses. From the following information compute his income from house property for the Assessment Year 2021-22:   12

	House-I	House-II	House-III
Situated at	Kolkata	Siliguri	Malda
Nature of Occupation	Let-out	Self-occupied	Used for own Business
GMV(₹)	3,00,000	2,00,000	1,50,000
Fair Rent (₹)	2,80,000	2,25,000	1,60,000
Annual Rent Receivable	3,60,000	-	-
Vacancy Period (Months)	2	-	-
Municipal Tax (%)	10	5	7.5
Interest on Loan	20,000	15,000	12,000

4. (a) When is an individual said to be "Resident" in India?   4+4+4

  (b) Who is a non-resident individual?

  (c) What do you mean by resident and ordinary resident in case of an individual?

GROUP-B

5. Answer any *four* questions: 6×4 = 24

(a) X and Company, a partnership firm, furnishes the following Profit and Loss Account for the previous year ending 31.03.2021:   3+1+2

	Rs.		Rs.
Cost of goods sold	2,80,000	Sales	2,92,000
Other Expenses	91,000	Net Loss	1,72,000
Interest to Partners	25,000		
Remuneration to Partners	68,000		
	4,64,000		**4,64,000**

The other expenses debited include ₹13,000 not allowable U/S 37(1).

Interest to partners is in excess by ₹7,100.

You are require to calculate for the A.Y. 2021-22.

(i) Book profits of the firm

(ii) Permissible remuneration to partners U/S 40(b) and

(iii) The income of the firm.

(b) Write a short note on deduction U/S 80D.

(c) Discuss the provision relating to clubbing income of minor.

(d) What is agricultural income? Give two examples of agricultural income.

(e) Difference between Tax Planning, Tax Avoidance and Tax Evasion.

(f) Write short note "Deduction U/S 24".

GROUP-C

6.   Answer any *four* questions: 3×4 = 12

(a) Write short note on "Assessment Year".

(b) Mr. Kapil purchased a house on 12.02.1997 for ₹3,40,000. Fair value on 01.04.2001 is ₹5,00,000. On 05.02.2021 he sold the house for ₹20,00,000 and paid brokerage @ 2%. Compute his taxable income for the A.Y. 2021-22.

(c) Written down value of Machinery on 01.04.2020 was ₹3,00,000. Purchased machinery during the year 2020-21 was ₹1,00,000. Sales machinery during the year 2020-21 was ₹50,000. Rate of Depreciation @ 15%. On 7.11.2020, additional machinery purchased was ₹40,000. Calculate Depreciation for the A.Y. 2020-21.

(d) Distinguish between Heads of income and Sources of income.

(e) State the status of "University of North Bengal" as per Section 2(31) of the Income Tax Act 1961.

(f) What do you mean by Long Term Capital Assets?

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