



**UNIVERSITY OF NORTH BENGAL**  
B.Com. Honours Part-III Examination, 2021

**B.COM.**

**PAPER-3H3 (Revised New Syllabus)**

**DIRECT AND INDIRECT TAXES IN INDIA**  
**(For Honours in Accounting Only)**

Full Marks: 100

**ASSIGNMENT**

*The figures in the margin indicate full marks.*  
*Candidates are required to give their answers in their own words as far as practicable.*  
*All symbols are of usual significance.*

**GROUP-A**

**Answer any two questions from the following**

30×2 = 60

1. (a) Explain the sources of Income under Income Tax laws in India. 10
- (b) Jagdip Sharma is a regular employee of Indian Cements Ltd. in Siliguri. He was appointed on 01.02.2016 in the pay scale of Rs. 30,000 – 2,000 – 36,000. He is paid dearness allowance @ 10% of basic pay; Commission- Rs. 1000 pm; City allowance- Rs. 2000 pm; Education Allowance- Rs. 500 pm for two child; Conveyance allowance- Rs. 4000 pm (60% being used for official purposes). He and his employer contributes 15% of salary towards recognized provident fund. He is provided free housing facility which has been taken on rent by the company at Rs. 15,000 per month. He contributes Rs. 10,000 per month towards PPF. He is also provided with following facilities:
- (i) Telephone allowance @ Rs. 1,000 per month.
- (ii) Gift voucher of Rs. 20,000 on the occasion of his marriage anniversary.
- (iii) Life insurance premium of his family amounting to Rs. 25,000 is paid by the company.
- (iv) Professional tax @ Rs. 500 per month is paid by the employer.
- (v) Motor car running and maintenance charges of Rs. 40,000 fully paid by employer. The motor car is owned and driven by Jagdip himself. The engine cubic capacity is below 1.6 litres and is used for both official and personal purpose by the employee.
- (vi) Housekeeping salary amounting to Rs. 3,000 per month is reimbursed by the employer.

You are required to calculate tax liability of Jagdip Sharma for the A.Y. 2020-21.

2. (a) Discuss the condition for chargeability of income under the head Income from House property. 10

- (b) Yogesh Agarwal owns a house property in Kolkata whose Municipal value, Fair Rent and Standard Rent are Rs. 110,000, Rs. 130,000 and Rs. 1,15,000 per annum respectively. During the FY 2019-20, one-third of the portion of the house was let out for residential purpose at a monthly rent of Rs. 4,000. The remaining two-third portion was self-occupied by him. Municipal tax @ 10% of municipal value was paid during the year out of which tenant paid 50% of the total municipal tax. The construction of the house began in May, 2016 and was completed in Jan, 2018. He took a loan of Rs. 10,00,000 on 30<sup>th</sup> May, 2016 for the construction of building. He paid interest on loan @ 10% per annum. You are required to compute the income from house property of Yogesh Agarwal for the AY 2020-21. 20

3. (a) Vivek Gupta, a retail trader of Darjeeling gives the following Profit & Loss Account for the year ended 31<sup>st</sup> March, 2020: 20

Profit & Loss Account for the year ended 31.03.2020

Particulars	Rs.	Particulars	Rs.
To General expenses	10,000	By Gross Profit	1,22,000
To, Advertisements	15,000	By Bad Debts recovered	18,000
To, Salary	90,000	(Not allowed earlier by AO)	
To, Interest on bank loan	10,000	By Rent received	60,000
To, Provision for bad debts	5,000	By Interest on Fixed deposits	30,000
To, Depreciation	30,000	By Dividend from Foreign	40,000
To, Reserve for GST	8,000	companies	
To, Advance Income Tax	4,000	By Commission received	10,000
To, Donation	20,000		
To, Motor car expenses	15,000		
To, Stationery	9,000		
To, Audit fess	5,000		
To, Staff Welfare expenses	10,000		
To, Net Profit	49,000		
	2,80,000		2,80,000

Other information:

- (i) Depreciation is in excess by Rs. 3,000.
  - (ii) Motor car expenses include Rs. 2,000 for personal purposes.
  - (iii) Central library is an approved institution
  - (iv) The proprietor draws Rs. 4,000 per month by way of salary.
- You are required to calculate the gross total income and tax liability of Vivek Gupta for the AY 2020-21.

- (b) You are required to state the most popular deduction available under section 80 C to 80 U that is availed by an individual tax payer earning income from salary to reduce her/his tax liability for the AY 2020-21. 10

**GROUP-B**

**Answer any *two* from the following**

20×2 = 40

4. Explain the following concepts: 6+8+6
- (a) Taxable events of Custom duty and Excise Duty,
  - (b) Types of Excise Duties and Custom Duties,
  - (c) Import procedure and Export procedure.
5. State the nature and basic features of Customs Duty. Discuss the provisions relating to charge Customs Duty in India. 10+10
6. Define under the Customs Act (any *four*): 5×4 = 20
- (a) Conveyance,
  - (b) Custom Port,
  - (c) Dutiable Goods,
  - (d) Goods,
  - (e) Import,
  - (f) Export.

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