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3 SEM TDC TLP (CBCS) C 306

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(Nov/Dec)

COMMERCE

(Core)

Paper : C-306

(Income Tax Law and Practice)

Full Marks : 80

Pass Marks : 32

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

1. (a) Fill in the blanks of the following : $1 \times 4 = 4$

- (i) A person who is liable to pay tax not only on his own income but on the income of another person is called _____.
- (ii) Gratuity received by a government employee is _____.
- (iii) Long-term capital loss can be carried forward for _____ succeeding previous years to be set-off only from long-term capital gain.

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(2)

(iv) Income received as rent from subletting would be taxable under the head _____.

(b) Write True or False of the following :
1×4=4

(i) An individual who wants to be resident of India u/s 6 (1) (a) must stay in India for at least 730 days in 7 previous years.

(ii) Tax is levied on total income of an assessee.

(iii) Income from sale of household furniture is short-term capital gain.

(iv) Deduction u/s 80C is available to individual only.

2. (a) Write short notes on any two of the following :
4×2=8

(i) Assessment year

(ii) Maximum marginal rate

(iii) Pension

Or

(b) How will you determine the residential status of an individual? Explain. 8

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(3)

3. Explain any three of the following :
4×3=12

(a) Perquisites

(b) Tax deducted at source

(c) Capital gain exempted from tax

(d) Relief u/s 89 (1)

4. (a) What is Provident Fund? Explain the tax treatment of different types of Provident Fund.
3+7=10

Or

(b) Mr. X is employed at Dibrugarh at a basic salary ₹ 25,000 p.m. and he also getting the following allowances :

Dearness allowance	₹ (p.m.)
Lunch allowance	2,000
Servant allowance	1,000
Transport allowance	1,000
Education allowances @ ₹ 200 per month for three children	2,000
Hostel allowance to one child	500
House rent allowance	5,000

He paid professional tax ₹ 250 per month. He was in a rented house and paying a rent of ₹ 7,000 p.m. His employer contributed in RPF @ 10% of his salary. Interest on RPF balance @ 12% ₹ 9,000.

Find out his salary income for the Assessment Year 2022-23. 10

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(4)

5. (a) (i) Write a note on annual value of house property. 4

(ii) Explain briefly the different types of income from house property which are not chargeable to tax. 6

Or

(b) Mr. Sanjoy Das owns a house property in Delhi. From the particulars given below, compute the income from house property for the Assessment Year 2022-23 : 10

Municipal value	2,00,000
Fair rent	2,52,000
Standard rent	2,40,000
Actual rent (per month)	23,000
Municipal tax—20% of municipal value,	
municipal tax paid during the year	
50% of tax levied	
Expenses on repairs	20,000
Insurance premium	5,000

Mr. Sanjoy Das borrowed a sum of ₹ 12,00,000 @ 10% p.a. on 01-07-2018 and the construction of the property was completed on 28-02-2020.

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(Continued)

(5)

6. (a) Define capital gain. Discuss the procedure for computation of capital gain. 4+6=10

Or

(b) Mr. Dilip submits the following particulars about sale of assets during the year 2021-22 :

	Jewellery	Gold	Plot
Sale price (in ₹)	5,00,000	2,50,000	21,74,000
Expenses on sale (in ₹)	Nil	Nil	24,000
Cost of acquisition (in ₹)	1,50,000	80,000	7,00,000
Year of acquisition	2007-08	2009-10	2004-05
CII	129	148	113

He has purchased a house for ₹ 12,00,000 on 01-03-22.

Calculate the amount of taxable capital gain if CII for 2021-22 is 317. 10

7. (a) What are the provisions of the Income-tax Act, 1961 regarding set-off of losses? Discuss briefly the provisions of the Income-tax Act regarding the carry forward of losses from business income and capital gain. 4+8=12

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Or

(b) Mr. Z submits the following particulars for the year ending 31-03-22. Calculate his taxable income for the Assessment Year 2022-23 :

Income from salary	₹	12
		2,80,000
Income from house property :		
House—A	1,05,000	
House—B (self-occupied)	-1,50,000	
Profits and gains of business or profession :		
Business I	1,08,000	
Business II	-46,000	
Business III (discontinued)		
Unabsorbed carried forward loss from A. Y. 2015-16	-80,000	
Capital gain :		
Short-term capital loss	-50,000	
Short-term capital gain	90,000	
Other sources :		
Loss from card games	-40,000	
Winning from lotteries	1,00,000	
Interest on fixed deposit	50,000	

Mr. Z invested in PPF ₹ 1,00,000 and tuition fee paid for his son ₹ 65,000 p.a.

(Continued)

8. (a) How will you compute the total income of a firm? Explain. 10

Or

(b) Explain the tax rate applicable to a firm for the Assessment Year 2022-23. 10
