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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) Write True or False : 1×4=4

(i) In India, income tax was introduced
in the year 1850.

(ii) Tax liability of a firm is fixed
at 20%.

(iii) The maximum deduction under Section 80C is ₹ 1,80,000.

(iv) Penalty for late payment of income tax is deductible.

(b) Fill in the blanks with appropriate word(s) : 1×4=4

(i) Unabsorbed depreciation is deducted from ____.

(ii) The term arising means to ____.

(iii) Income from salary is taxable under Section ____.

(iv) The process of indexation is applicable only for ____.

2. Write short notes on any four of the following : 4×4=16

(a) Agriculture income

(b) Gross total income

(c) Tax treatment of pension

(d) Deemed owner of house property

(e) Standard deduction of house property income

3. (a) Discuss about the tax liability of different types of income and incidence of tax. 8

Or

- (b) Enumerate any twelve incomes which are fully exempted from tax under Section 10. 8

4. (a) Biman is an employee of Guwahati-based company. He provides the following particulars of his salary income :

Basic salary—₹ 50,000 p.m.

Bonus—₹ 1,15,000

Commission on turnover—₹ 50,000

Servant allowances—₹ 500 p.m.

Transport allowances—₹ 8,000 p.m.

Free education facility of three children
(bill issued in the name of employer)
₹ 24,000 p.a.

Interest credited to RPF @ 12% amounted to
₹ 24,000

Free use of motor car, 1.8 liter capacity, used
for both office and personal purposes
expenses met by employer

Rent-free house provided by employer. Lease rent paid by employer—₹ 30,000

Professional tax—₹ 9,000

Compute his income under the head income from salary for the Assessment Year, 2023-24.

12

Or

(b) Mr. Naman is the owner of house property in Guwahati. From the particulars given below, compute income from house property for the Assessment Year, 2023-24 :

12

Municipal value—₹ 42,000

Fair rent—₹ 45,000

Standard rent—₹ 44,000

Actual rent—₹ 4,400 p.m.

Municipal tax levied—₹ 4,400

Municipal tax paid during the year—
50% of levied

Expenses on repair—₹ 6,000

He has taken a loan of ₹ 1,20,000 at 10% interest per annum for the construction of a tennis court in front of his house.

5. (a) Write down the expenses that are allowed for deduction under the head 'profits and gains of business or profession' as per the instruction of CBDT. 12

Or

- (b) (i) What are the rules regarding charge of depreciation? 6

- (ii) From the following information, compute depreciation allowable for the Assessment Year, 2021-22 : 6

- (1) Rate of depreciation—15%
- (2) WDV of plant and machinery—
₹ 8,00,000
- (3) Additional plant made on
1st July, 2020—₹ 1,80,000
- (4) Sale proceeds of machinery,
which was originally bought on
1st May, 2015 for ₹ 1,00,000—
₹ 90,000

6. (a) What do you mean by capital asset?
Explain the different types of capital assets. 2+10=12

Or

- (b) Discuss in detail the general and specific income mentioned under Section 56(1) and 56(2) of the Income-tax Act. 12

7. (a) Mr. Abani furnishes the following particulars of income and losses for the Assessment Year, 2023-24 :

	₹
Taxable income from salary	1,50,000
Income from house property	16,000
Profit from hospital	1,40,000
Speculative profit	10,000
Long-term capital gain	24,000
Short-term capital gain	8,000
Share of profit from partnership firm	7,800
Current year's depreciation	4,500

The following items are brought forward from the Assessment Year, 2022-23 :

	₹
Unabsorbed depreciation	5,000
Speculative loss	15,000
Long-term capital loss	15,000
Short-term capital loss	6,000

Calculate gross total income for the Assessment Year, 2023-24. 12

(7)

Or

(b) What is tax liability? How do you
calculate the tax liability of an
individual? $4+8=12$

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