

B.Com. DEGREE (C.B.C.S.S.) EXAMINATION, MARCH 2016**Sixth Semester****Core Course—INCOME TAX ASSESSMENT AND PROCEDURE**

(For the Optional Stream Finance and Taxation of Model I and Model II B.Com
and UGC sponsored B.Com. Taxation)

[2013 Admissions]

Time : Three Hours

Maximum : 80 Marks

Answers may be written either in English or in Malayalam.

Part A

*Answer all questions.
Each question carries 1 mark.*

1. What is Capital gain ?
2. What is Bond washing transaction ?
3. What do you mean by carry forward of loss ?
4. Who is called as Assessing Officer ?
5. What is Tax clearance certificate ?
6. What is Right share ?
7. State the conditions to be satisfied to deduct the expenses from other sources.
8. What is TCS TAN ?
9. What do you mean by converted debentures ?
10. What is TRP and PAN ?

(10 × 1 = 10)

Part B

*Answer any eight questions.
Each question carries 2 marks.*

11. Explain various kinds of capital assets.
12. Explain the exempted capital gain u/s 10.
13. What deductions are allowed under the head "Income from other sources" ?
14. What are the incomes chargeable under the head "Income from other sources" ?

Turn over

15. What do you mean by "Set-off"? Which losses can be carried forward?
16. State the procedure to compute total income of an individual.
17. What are the functions of Inspectors of Income-tax?
18. Mention the powers of Commissioners of Income-tax.
19. What are the powers of Assessing officer relating to call for information?
20. What are the various types of Returns?
21. What are the contributions applicable to individual?
22. State the procedure to computation of deductions allowed.

(8 × 2 = 16)

Part C

*Answer any six questions.
Each question carries 4 marks.*

23. What are the different types of assessment? Explain.
24. Enumerate any five items of income, which are included under the head income from other sources.
25. Explain the procedure of appeal to Commissioner of Income tax.
26. Mr. Shoban sells a residential house property in Chennai for Rs. 99,00,000 on April 25, 2014 which was acquired by him on May 10, 1986 for Rs. 5,00,000. In August 2014, he purchased a house in Madurai for Rs. 15,00,000. On June 30, 2015, C.I.I. for 1986-87 is 140, for 2014-15 it is 1024. Compute capital gain.
27. Ganesan furnishes the following particulars of his income for the previous year 2014-15. Compute his income from other sources for the Assessment year 2015-16:

		Rs.
(a)	Dividend (Gross) from Ashok Leyland Ltd. ...	25,000
(b)	Dividend from a co-operative society ...	5,000
(c)	Interim dividend from Rane (Madras) Ltd. ...	6,000
(d)	Dividend from a foreign company ...	26,000
(e)	Dividend from U.T.I. ...	3,000

28. From the following particulars of income of assesses, A, B and C. How the capital losses shall be set-off and carried forward for the previous year ending 31.3.2015:

			Rs.
A.	1	Business income	... 15,000
	2	Short term capital loss	... 1,200
	3	Long-term capital gain (shares)	... 7,200
	4	Long-term capital gain on sale of jewellery	... 20,000

B.	1	Business income	...	30,000
	2	Short-term capital loss	...	40,000
C.	1	Business income	...	60,000
	2	Short-term capital gain	...	20,000
	3	Long-term capital gain (land)	...	17,000
	4	Carry forward loss (short-term capital assets)	...	50,000

29. Explain the basis of charge.

30. What is specific chargeability? Explain.

31. State the merits and demerits of advance payment of tax.

(6 × 4 = 24)

Part D

*Answer any two questions.
Each question carries 15 marks.*

32. Briefly explain the provisions of section 80U, 80C and 80GGC of the Income-tax Act, 1961.

33. Mr. H submits the following particulars about sale of assets during the year 2013-14 :

	Jewellery (Rs.)	Plot (Rs.)	Gold (Rs.)
Sale price	4,50,000	17,24,000	3,00,000
Expenses on sale	—	24,000	—
Cost of Acquisition	50,000	2,00,000	80,000
Year of acquisition	1987-88	1984-85	1999-2000
C.I.I.	150	125	389

He has purchased a house for Rs. 12,00,000 on 1.3.2014. Calculate the amount of taxable capital gain if C.I.I. for 2014-15 is 1024.

34. Mr. Anil, an Indian resident, furnishes the following particulars of his income for the AY 2015-2016. You are required to deal with set-off and carry forward of losses :

	Rs.
(a) Income from securities (Gross)	10,000
(b) Income from residential home (computed)	5,000
(c) Profit from Rayon business	25,000
(d) Income from Agency business	2,000
(e) Speculation income	2,000
(f) Short-term capital gain	4,000
(g) Long-term capital gain	9,500

Turn over

The carry forward items from the AY 2014-2015 are :

		Rs.
(a)	Loss from Hosiery business	... 4,000
(b)	Loss from Agency business	... 3,000
(c)	Loss from Rayon business	... 3,000
(d)	Speculation business	... 4,000
(e)	Short term capital loss	... 6,000
(f)	Long term capital loss (of the PY 2013-14)	... 6,500

Current year's depreciation for Rayon business is Rs. 500

35. Discuss briefly the functions of Income-tax Officer.

(2 × 15 = 30)