

BACHELOR OF COMMERCE
THIRD SEMESTER
INCOME TAX LAWS & PRACTICES
BCM – 302

(Use separate answer scripts for Objective & Descriptive)

Duration: 3 hrs.

Full Marks: 70

(PART-A : Objective)

Time: 20 min.

Marks: 20

Choose the correct answer from the following:**1 × 20 = 20**

- iv) Payment made for mediclaim policy on his own dependent family members Rs. 7,000
v) Deposited in PPF a/c in his name. Rs. 30,000
Marak resides in a rented house for which he paid Rs. 7,000 per month as house rent during the previous year 2015-16.
Determine his total income for the assessment year 2016-17.
5. Write short Notes on(Any two) : **5+5=10**
a. Agriculture income
b. Salaries
c. Profession
6. a. What is income from capital gains as per the income tax Act 1961? **6+4=10**
Give some example of short term and long term capital gains.
b. Mr. Sangma purchased a house on 12-07-13 for Rs. 1,30,000 and spent Rs.1,50,000 on its improvement on 14-08-2014. On 16-11-2015, he sold the house for Rs. 21,80,000 and incurred Rs. 10,000 as expenses on Transfer.
Compute the amount of capital gains for the Assessment year 2016-17.
7. a. What do you mean by Gross total Income? **3+7=10**
b. Name the various deductions allowable from the gross total in case of a salaried employee.
8. a. Describe the procedure of e-filing of income tax return as per income tax rules. **7+3=10**
b. State the advantages of e-filing of income tax return.

== *** ==

1. A company is considered to be resident if
a. It is an Indian Company
b. During the previous year its control and Management is situated wholly in India
c. Both a & b
d. None of the above
2. Assessment year 2018-19 commence on
a. 1st April' 2018
b. 31st March' 2018
c. 1st April' 2019
d. 1st April' 2017
3. For an employee in receipt of hostel expenditure allowances for his three children, the maximum annual exempt under section 10(14) is
a. Rs. 10,800
b. Rs. 7,200
c. Rs. 9,600
d. Rs. 3,600
4. Rate of Statutory is deduction in case of income from house property is _____
a. 20%
b. 25%
c. 35%
d. 30%
5. Agriculture income is
a. Fully Taxable
b. Partly Exempted
c. Fully Exempted
d. Partly Taxable
6. Which one of the following is not a direct tax
a. Tax on Salaries income
b. Tax on Income from rent of the property
c. Tax on sales of goods and services
d. Tax on wealth of an individual
7. Taxable income of person is determined on the basis of his of
a. Residential status in India
b. Citizenship in India
c. Both a & b
d. Neither a & b
8. Mr. Marak is entitled to a salary Rs. 10,000 pm took an advance of Rs.20,000 against the salary of March 2017. The gross salary of Ramen in the assessment year 2017-18 shall be
a. 1,20,000
b. 1,00,000
c. 80,000
d. 1,40,000
9. Deduction under section 80 C is allowed from
a. Gross total income
b. Total Income
c. Net income
d. Tax on total income
10. Mr. Sangma is entitled to children education allowances @ Rs 80 p.m. per children for 3 children amounting Rs. 240 Pm. It will be exempt to the extent of
a. Rs. 200 Pm.
b. Rs. 160 pm
c. Rs. 240 Pm
d. Rs. 180 pm

11. Expected Rent can be determined in the following way
 a. Higher of Municipal Value & Fair Rent
 b. Higher of Municipal Value & Fair Rent subject to maximum of Standard Rent
 c. Lower of Municipal Value & Fair Rent
 d. Any of the above
12. Mr. Berry a foreign national visited India during previous year 2017-18, for 180 days. Earlier to this, he never visited India. Mr. Berry in this case, shall be
 a. Resident in India
 b. Not ordinary resident
 c. Non-resident
 d. None of the above
13. Income which is accrue or arise outside India but are received directly in India are taxable in case
 a. Resident only
 b. Non-Resident
 c. Not ordinarily resident
 d. All the Assess
14. Interest received by an employee on his own contribution to unrecognized provident fund is taxable under the head
 a. Income from salaries
 b. Income from business and profession
 c. Income from capital gains
 d. Income from other sources
15. The maximum qualifying amount for deduction u/s 80 C is Rs.
 a. Rs. 1,00,000
 b. Rs. 1,50,000
 c. Rs. 1,20,000
 d. Rs. 1,30,000
16. Interest on saving account is deductible
 a. u/s 80TTA
 b. u/s 80GG
 c. u/s 80C
 d. u/s 80 DDB
17. The rate of income tax are specified in
 a. Income tax Act, 1961
 b. Income Tax Rules, 1962
 c. Finance Act
 d. Circular Of CBDT
18. Deduction u/s 80 G on account of donation is allowed
 a. A business assess only
 b. Any assess
 c. Individual or HUF
 d. All of the above
19. Maximum Amount of Deduction u/s 80 TTA regarding interest on saving deposits in the assessment year 2018-19.
 a. Rs. 12,000 and actual amount received whichever is less
 b. Rs. 10,000 and actual amount received whichever is less
 c. Rs. 20,000 and actual amount whichever is less.
 d. Actually Amount received
20. Maximum Amount of Deduction u/s 80 GG regarding rented house in the assessment year 2018-19.
 a. Rs. Actual Amount of Rent Paid
 b. Rs. 40,000
 c. No limit
 d. Rs. 60,000

[PART-B : Descriptive]

Time: 2 hrs. 40 min.

Marks: 50

[Answer question no.1 & any four (4) from the rest]

1. How to ascertain the residential status of an Individual, and a company under the Income tax Act 1961. **10**
2. a. What do you mean by annual value of a house property? How is it determined? **5+5=10**
 b. Mr. Marak is a owner of a house. Particulars regarding the house are as under:
 Municipal Value Rs. 1,80,000
 Fair Rent Rs. 1,30,000
 Standard rent Rs. 1,10,000
 The house property has been let for Rs.13,000 p.m.
 Municipal taxes paid during the year were Rs. 16,000
 The houses was vacant for two months during the previous year 2016-17
 Compute the Net Annual Value for the Assessment year 2017-18.
3. a. What do you mean by allowances? Give three examples of fully taxable allowances. **4+6=10**
 b. From the following information you are asked to compute the gross income from salary of MS Indrakshi for the assessment year 2016-17.
 i) Basic Salary received Rs. 20,000 p.m.
 ii) Dearness allowances Rs.3,000 p.m.
 iii) Medical allowances Rs. 1,000 p.m.
 iv) Employee's contribution to recognized provident fund is 15% of his basic salary.
 v) Her employer also made a matching contribution to such provident fund is 15% of his basic salary.
 vi) Interest on provident fund credited on 1st may 2015@ 11.5% p.a. is Rs. 4,600 for the year.
4. a. What do you mean by income from business and professions as per the income tax Act 1961? Give some examples of income from business and profession. **6+4=10**
 b. Mr. Marak aged 45 years who is carrying on business at Guwahati, furnishes the following particulars for the previous year 2015-16.
 i) Income from business Rs. 2,80,000
 ii) Long-term capital gains on sale of land Rs. 40,000
 iii) Interest on Bank deposits Rs. 15,000