

Roll No.

61451

**B. Com. (Pass Course) 5th Semester
w.e.f. Academic Session 2018-19
(Current Scheme)
Examination – March, 2021**

**TAXATION LAW - I
Paper : 5.01**

Time : Three Hours] [Maximum Marks : 80

Before answering the questions, candidates should ensure that they have been supplied the correct and complete question paper. No complaint in this regard, will be entertained after examination.

Note : Attempt *five* questions in all. Question No. 1 is *compulsory*. Answer other *four* questions selecting *one* question from each Unit. All questions carry equal marks.

1. (a) Who is assessee ?
- (b) Describe *four* exempted incomes.
- (c) Explain the provisions of Income Tax Law relating to encashment of earned leaves.
- (d) How will recovery of unrealized rent be treated ?
- (e) Comment upon Tea, Coffee and Rubber Development Account.
- (f) Elaborate transfer transaction.
- (g) What is aggregation on income ?
- (h) Discuss the Bond Washing Transactions. $2 \times 8 = 16$

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UNIT - I

2. What is agriculture income ? Also explain the instances of non-agriculture income as per Income Tax Law. 16
1. How will you determine residential status of an individual ? Describe the incidence of tax with special reference to residential status during the Previous Year 16

UNIT - II

4. What do you understand by perquisites ? Describe the provisions of Income Tax Act, 1961 with regards to valuation of perquisites taxable for all 16
5. Mr. Umesh owns four houses whose municipal values are Rs. 20,000, Rs. 30,000, Rs. 48,000 and Rs. 60,000 respectively. Municipal taxes on these houses are paid @10%. Mr. Umesh resides in the first house. In the second house he runs his business whose taxable profit for the previous year is Rs. 80,000. He has let out the other two houses at Rs. 5,000 per month and Rs. 6,000 per month. He uses 1/3rd portion of the third house also for his own residence and the rent Rs. 5,000 is for the remaining 2/3rd portion. The fourth house remained vacant for four months. Unrealized rent related to the fourth house is Rs. 40,000 (not fulfilled all conditions of rule 4).
Compute the income from house property of Mr. Umesh for the Assessment Year 2020-21. 16

UNIT - III

6. Dr. Satish is a Medical Practitioner. He gives you the following summary of cash book for the year ended 31-03-2020

Receipts	Amount (Rs.)	Payments	Amounts (Rs.)
Balance b/d	10,000	Rent of Clinic	12,000
Consultation Fees	60,000	Purchase of Medicine	38,000

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(2)

Vocating Fees	45,000	Salary to Staff	22,000
Stock of Medicines	42,000	Surgical Equipments	47,000
Gifts and Presents	8,000	Car Expenses	4,000
Life Insurance		Electricity Bills	3,000
Maternity amount	1,00,000	Income Tax	4,000
Dividend from LTI	6,000	Motor Car purchased	4,00,000
Interest from		Household Expenses	7,000
Natural Debts			
Bonus	6,000	Gift to Wife	5,000
		Balance b/d	2,000
Totals	2,77,000	Totals	2,77,000

- (a) 50% of motor car expenses incurred in connection with profession. Car was purchased in December 2019.
- (ii) Household expenses include Rs. 6,000 for life insurance premium.
- (iii) Gifts and presents include Rs. 3,000 from relatives.
- (iv) Closing stock of medicines Rs. 12,000 and on 1.4.2019 opening stock was Rs. 4,000.

Compute the income from profession for the Assessment Year 2020-21. 18

7. What is cost of acquisition? How will you determine the cost of various assets for computation of capital gains? 16

UNIT - IV

8. Mr. Mukesh submits the following particulars of his income and loss for the Assessment Year 2020-21

	(Amounts in Rs.)
(i) Profit from the cloth business (Before Depreciation)	50,000

- (ii) Income from speculative business 10,000
- (iii) Income from house property 8,000
- (iv) Long term capital gains 14,000
- (v) Interest from deposit in a firm 1,500
- (vi) Interest on debentures of a company 5,000
- (vii) Current year's depreciation 6,000
- (viii) Loss from maintenance of horse races 5,000
- (ix) Loss from lottery 2,000
- (x) Loss from gambling 3,000

The following items have been brought forward from the preceding Previous Year 2018-19

- (i) Unabsorbed depreciation 7,000
- (ii) Unrealized rent 10,000
- (iii) Loss from cloth business 20,000
- (iv) Loss from speculation business 14,000
- (v) Short term capital loss 6,000
- (vi) Long term capital loss 12,000
- (vii) Loss on maintenance of horse races 5,000

Compute Gross Total Income of Mr. Mukesh for the A. Y. 2020-21. 16

9. Discuss the provisions of I. T. Act, 1961 in respect of the following deductions: 4 × 4 = 16

- (a) Expenditure incurred on Medical Treatment u/s 80DDB
- (b) Rent paid against residential accommodation u/s 80GG
- (c) Incomes of Offshore Banking Units or International Financial Services Centers u/s 80LA
- (d) Income of a person with disability u/s 80U