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**D.K.M.COLLEGE FOR WOMEN (AUTONOMOUS)
SEMESTER EXAMINATIONS**

APRIL-2019 15CCC6C /15CCO6E

INCOME TAX LAW AND PRACTICE – II

Time : 3 Hrs.

Max.M

SECTION – A(10 x 2 =20)

Answer ALL the questions.

1. What is short term capital gain?
2. State five examples of income from other sources.
3. What is Self-Assessment?
4. What are Deemed incomes?
5. What is Best Judgement assessment?
6. Mr. Ram held the following investments:
 - a) Rs.89,800, 10% (tax free) debentures of a listed company.
 - b) Rs.1,00,000, 12% Punjab Govt Loan.

Compute his income from interest on securities for the year ending 3

7. What is a Capital Asset?
8. Raheem is a writer as well as professional. His income particulars are:
 - a)Royalty on books Rs.42,000.Expenses on writing these books
 - b)Professional income Rs.1,80,000.
 - c)He deposits Rs.24,000 in PPF.Compute his tax liability for the
9. What do you mean by Clubbing of income?
10. What do you mean by Bond washing transactions?

SECTION – B(5 x 5 =25)

Answer any FIVE of the following questions.

11. What is Permanent Account Number? Explain its features.
12. Explain the provisions relating to Clubbing Income.
13. Discuss the provisions relating to carry forward and set of losses.
14. Compute the taxable income of Mr.D.

- v) Amount received from Karnataka Lottery Prize Rs.34,700.
- vi) Director fees received Rs.4,000.
- vii) Royalty income by writing books Rs.40,000 (Expenses claimed)
- viii) Family pension received Rs.36,000.

17. Mr.Z acquired a plot of land on 30.6.2006 (CII:122) for Rs.3,20,000 and registration and brokerage etc. The plot was sold for Rs.40 lakhs on 1.12.2016. He had purchased a house for Rs.15lakhs on 1.12.2016. He had paid Rs.5,00,000 towards the purchase of the house by him. Compute the amount of taxable capital gain for the previous year.
18. Mr.X submits the following information to compute taxable income:
- a)Gross total income (including long term capital gain)
 - b)He paid towards pension fund of LIC of India
 - c)Long term capital gain
 - d)He donated to the local authority for family planning

SECTION – C(3 x 10 =30)

Answer ALL the questions.

19. (a) Explain briefly the various types of assessment.

(Or)

(b)The following particulars are submitted by Mr. Deshpande for the assessment year 2016-17. He is required to compute his gross total income and tax liability:

a) Salary: Rs.30,000; Bonus: Rs.3,000; enjoys free use of a car provided by his employer both contribute to a recognised P.F. @ 11% of his salary.

b)He is the owner of the house with a rental value of Rs.8,000. He has paid Local taxes Rs.800: Fire insurance premium Rs.200; Ground rent Rs.1,000. The house is self-occupied.

c) One more house is owned but that is let out on a rent of Rs.5,000. He has paid taxes Rs.500 and collection charges Rs.300. The house remained vacant for 2 months. Interest on a loan taken for the construction of this house Rs.4,000. Profession income during the year is Rs 600

d) He has a fixed deposit of Rs.10,00,000 in a bank. The interest earned during the year is Rs.1,00,000. He has also a mutual fund investment of Rs.5,00,000. The value of the investment at the end of the year is Rs.5,50,000.

e) He has a life insurance policy with a sum assured of Rs.10,00,000. The premium paid during the year is Rs.1,00,000. The policy is in force for the year.

- f) He gave Rs.20,000 as donation to an approved charitable institution.
 g) During the year he deposited Rs.20,000 in an equity linked savings scheme.

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- h) He deposited Rs.12,500 in National Saving Scheme, 1992.
 i) Interest accrued on N.S.C. VIII issue purchased in November 2017.

Rs.2,260.

Compute his total income.

(Or)

(b) Mr. X owns a residential house at Bangalore from the following information. Compute the amount of capital gain:

	Rs.
Cost of construction (during 2004-05)	
Cost of additions and improvements (during 2011-12)	
Sale consideration (sale made on 10.10.17)	95,00,000
Expenses on transfer	
Cost of new house purchased in Hyderabad (on 15.1.18) (House is half finished)	
Amount deposited in capital gain deposit scheme in SBI on 25.7.18	

An amount of Rs.3,00,000 withdrawn from capital gain deposit scheme was
 utilised for the completion of house. CII for 2004-15; 113, 2011-12 is 184 & 201

21. (a) Mr. Raju, a resident individual, submits the following particulars of his income for the year ending 31st March, 2018.

- a) Royalty from a Coal Mine Rs.20,000
- b) Agricultural income in Pakistan Rs.15,000
- c) Salary for a part time job in a firm Rs.21,000
- d) Salary as member of parliament Rs.36,000
- e) Daily allowances as M.P.- Rs.15,000
- f) His residential house has been taken on a rent of Rs.1,000 p.m.