

(Please write your Exam Roll No.)

Exam Roll No. 41124588816

# END TERM EXAMINATION

FIFTH SEMESTER [B.COM] NOVEMBER-DECEMBER 2018

Paper Code: B.COM-303

Subject: Income Tax Law and Practices

Time: 3 Hours

Maximum Marks: 75

Note: Attempt any five questions. All questions carry equal marks.

- Q1 (a) Who is an assessee under the provisions of Income Tax Act, 1961?  
(b) Define the term income. Also distinguish between Gross Total Income and Total Income.  
(c) "Income Tax is charged on income of previous year." What are its exceptions?  
(d) Income Tax Act gives absolute exemption in respect of certain incomes. Discuss any three such incomes.  
(e) How will you determine the residential status of a HVF?

Q2 'A' earns the following income during the financial year 2017-18:

	Rs.
Interest paid by an Indian company received in London	2,00,000
Pension from former employer in India, received in USA	8,000
Profits earned from business in Paris which is controlled in India, half of the profits being received in India	40,000
Income from Agriculture in Bhutan and remitted to India	10,000
Income from property in England and received there	8,000
Paid foreign untaxed income brought to India	20,000

Determine the total income of 'A' for the assessment year 2018-19 if he is (i) resident and ordinarily resident, (ii) not ordinarily resident, (iii) Non-resident in India.

- Q3 (a) Define Perquisites. Illustrate with examples the method of valuation of rent free accommodation.  
(b) What are the provisions of Income Tax- Act regarding 'Gratuity'?
- Q4 What is capital gain? What are the kinds of capital gains and what is the procedure for computation of capital gains?
- Q5 X, who is an advocate in Indore, furnishes the following particulars for the year 2017-18:

Income from profession	2,32,000
Short term capital gains on sale of gold	18,000
Long term capital gains on sale of land	96,000
Interest on Govt. Securities	11,000
Payment of interest on loan taken from a bank for higher studies of his daughter	10,000
Rent paid for a house in Delhi	36,000
Deposit in PPF	60,000

Determine the total income of Mr. X for the assessment year 2018-19.

- Q6 Write short notes on the following:-  
(a) Carry forward of business losses  
(b) Carry forward of capital losses  
(c) Set off of gambling losses  
(d) Carry forward of loss of House Property  
(e) Set off of unabsorbed depreciation
- Q7 (a) Explain the provisions of deduction of tax at source on (i) rental income, (ii) Salary, (iii) Interest other than interest on securities.  
(b) Discuss the conditions under which refund of tax may be claimed. Who can claim it as per provisions of income tax Act?

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