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B.Com (Hons.) Semester – 5th
INCOME TAX - I
Subject Code: BCOM1520
Paper ID: [140325]

Time: 03 Hours **Maximum Marks: 60**

Instruction for candidates:

1. Section A is compulsory. It consists of 10 parts of two marks each.
2. Section B consist of 5 questions of 5 marks each. The student has to attempt any 4 questions out of it.
3. Section C consist of 3 questions of 10 marks each. The student has to attempt any 2 questions.

Section – A **(2 marks each)**

Q1. Attempt the following:

a. Explain the terms (a) Assessment year (b) Assessee.
b. Discuss the treatment of House Rent Allowance under Salary head.
c. Explain Deduction u/s 80TTA and u/s 80TTB.
d. Distinguish between Capital and Revenue Expenditure.
e. What are the provisions of law related to preliminary expenses?
f. Explain the treatment of Family Pension and Casual Income under head Other Sources.
g. Discuss the provisions of Deemed Income.
h. What is the procedure for claim of rebate u/s 86?
i. Discuss the Exemption u/s 54F.
j. Explain the treatment of unabsorbed depreciation.

Section – B **(5 marks each)**

Q2. Discuss the incomes which are not included in total income nor income tax is payable on them.

Q3. Define 'Annual Value'. How is it determined? What deductions are allowed from the annual value in computing taxable income from house and property?

Q4. Under what circumstances income of other persons can be included in the income of assessee under Income Tax Act, 1961?

Q5. Mr. Shankar Lal's particulars of income are as under:

(a) He lives in a rented house paying rent @ 10,000 p.m. he has sub let 1/3 portion of the house on a rent of Rs.4,500 p.m. The municipal tax Rs.6,000 and Repairs of whole house Rs.2,700 have been borne by him . Besides it he received Rs.5,000 rent from his ownership house.
(b) Dividend on shares of Arvinda Mills Ltd. Rs.4,000.
(c) Speculation business profit Rs.6,000 and Rs.500 from cricket gambling.

(d) Salary as an M.L.A Rs.30,000 and daily allowances Rs.4,000.
(e) Share in H.U.F. income Rs.8,500.
(f) Dividend received Rs.6,000 from co-operative Society.
(g) Family pension received Rs.48,000.
(h) Royalty for writing books Rs.80000. he claims to have spent on writing these books Rs.20,000 & Net Amount received as winning from lottery Rs.21,000. Purchase of lottery tickets Rs.2,000.
(i) Interest on Post office saving bank Rs.2,700 & Gift from father Rs.50,000.
(j) Salary for a part time job with a firm Rs.21,000.
Calculate the Income under head Other Sources.

Q6. What do you understand by the Qualifying amount u/s 80G? Who is entitled to it and what are the provisions of the Act in this connection?

Section – C **(10 marks each)**

Q7. How is residence of an assessee determined for taxable purposes? Explain the incidence of tax liability?

Q8. Explain the provisions of Income Tax Act, 1961 regarding set-off of losses and carry forward of losses..

Q9. A firm which consists of P,Q and R as partners has submitted its authenticated copy of partnership deed to the Assessing Officer along with its return submits following information:

		Rs.
A.	Net Profit Rs.90,000 after debiting the following:	
	Salary to P	1,20,000
	Salary to Q	60,000
	Interest on Capital @ 13%	
	To P	19,000
	To Q	9,500
	To R	7,600
	Donation to National Foundation for communal Harmony	4,000
B.	Interest on Govt. Securities.	15,000
C.	Interest from House Property (Computed)	24,000
D.	Interest on Bank Deposits	6,000

Compute firm's total income if the instrument of partnership provides for payment of salary to P Rs.1,20,000 and Q Rs.60,000. Also compute firm's tax for the assessment year 2023-24 and partner's income taxable under the head Profits and Gains. Firm fulfil condition u/s 184.