

**B. Com-III
Income-Tax
Paper-BC-301**

Time: - 3 Hours

M.Marks-80

Note: - Attempt Five questions in all selecting at least One but not more than Two questions from each unit. All questions carry equal marks.

UNIT-I

Q 1. Explain the following as per Income Tax Act, 1961:-

- (i) Total Income.
- (ii) Casual Income.
- (iii) Annual value.
- (iv) Expected Rent.
- (v) Difference between Tax Evasion and Tax Avoidance.
- (vi) Previous Year.

Q 2. What do you mean by Residential Status? What is the procedure of determining the residence of different assesses for income tax purposes? Also explain the incidence of residence on tax liability.

Q 3. Compute taxable income under the head salary of Mr. Anil Kumar (an employee of a company) for the Assessment Year 2022-23:-

1. Basic Salary ` 1,20,000 p.m.
2. Dearness Allowance ` 20,000 p.m.
3. Entertainment Allowance ` 2,000 p.m.
4. Employer's contribution to Recognized Provident Fund ` 1,77,600. His own contribution was ` 1,77,600.
5. Interest @ 10% p.a. on credit balance of R. P. F. amounted to ` 1,00,000.
6. City Compensatory Allowance ` 1,000p.m.

7. Medical Allowance ` 2,400 p.m.
8. He is provided with a large car for which the employer paid all the running and maintenance cost. The car was used for both personal as well as office purposes.
9. He is also provided with unfurnished house by the employer in a city (Population 12 Lakh). The fair rental value of the house is ` 1,800,000 p.a. Employer charges ` 4,000 from him as rent.

Q 4. What is meant by Exempted Incomes? Explain any fifteen items which are exempted from tax.

UNIT-II

Q 5. What is the meaning of term 'Capital Gains' used in the Income Tax Act? Also explain the rules regarding the exemption of Capital Gains.

Q 6. Write short note on the following:-

- (i) Tax Free Government Securities.
- (ii) Less Tax Commercial Securities.
- (iii) Deduction u/s 80C, 80D and 80QBB.

Q 7. Mr. Naresh Kumar is a registered medical practitioner. He keeps his books on cash basis and his summarized cash account for the year ended 31st March, 2022 is as under:-

Receipts	`	Payments	`
To Balance b/d	1,22,000	By Cost of Medicines	10,000
To Loan from Bank for Private Purposes	3,000	By Surgical Equipment	8,000
To Sale of Medicines	25,250	By Motor Car	1,20,000
To Consultation Fees	1,55,000	By Car Expenses	6,000
To Visiting Fees	24,000	By Salaries	4,600

To Interest on Govt. Securities	4,500	By Rent of Dispensary	1,600
To Rent from Property	3,600	By General Expenses	300
		By Personal Expenses	1,11,800
		By Life Insurance Premium	3,000
		By Interest on Loan from Bank	300
		By Insurance of Property	200
		By Balance c/d	71,550
	3,37,350		3,37,350

Compute his income from profession for the Assessment Year 2022-23 taking into the following further information:-

- (i) One-third of motor-car expenses are in respect of his personal use.
- (ii) Depreciation allowable on the Motor-Car and Surgical Equipments @ 15%.

UNIT-III

Q 8. What do you mean by Clubbing of Income? In what circumstances, the income of one person is treated as the income of another?

Q 9. What are the various authorities envisaged in the Indian Income Tax Law? Also explain their powers/functions.

Q 10. What is meant by Assessment Procedure? Explain the different types of Assessment.