

**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) Income.
- (ii) Agricultural Income.
- (iii) Gross Total Income.
- (iv) Assesse.
- (v) Tax Evasion.
- (vi) Assessment Year.

Q 2. What is meant by Residential Status? How the residence of different assesses is determined for income tax purposes? Also explain the incidence of residence on tax liability.

Q 3. Compute taxable income under the head salary of Mr. Ram (an employee of a company) for the Assessment Year 2021-22:-

- 1. Basic Salary `60,000 p.m.
- 2. Dearness Allowance `10,000 p.m.
- 3. Entertainment Allowance `1,000 p.m.
- 4. Employer's contribution to Recognized Provident Fund ` 88,800. His own contribution was ` 88,800.
- 5. Interest @ 10% p.a. on credit balance of R. P. F. amounted to ` 50,000.
- 6. City Compensatory Allowance ` 500p.m.

7. Medical Allowance ` 1,200 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 ` 90,000 p.a. Employer charges ` 2,000 from him as rent.

Q 4. Explain any fifteen items which are exempted from tax.

UNIT-II

Q 5. What do you mean by the term 'Capital Gains' used in the Income Tax Act? What are the rules regarding the exemption of Capital Gains?

Q 6. Write short note on the following:-

- (i) Annual Value.
- (ii) Casual Income.
- (iii) Deduction u/s 80E, 80G and 80TTB.

Q 7. Mr. Ram is a registered medical practitioner. He keeps his books on cash basis and his summarized cash account for the year ended 31st March, 2021 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 2021-22 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 are the provisions of Income Tax Act regarding set-off and carry-forward of losses under the various heads of income?

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

Q 10. What do you mean by Assessment Procedure? Explain the different types of Assessment.