

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom (CS) DEGREE EXAMINATION DECEMBER 2019
(Fifth Semester)

Branch - **CORPORATE SECRETARYSHIP**

TAXATION LAW AND PRACTICE

Time : Three Hours

Maximum : 75 Marks

SECTION-A (20 Marks)

Answer **ALL** questions

ALL questions carry **EQUAL** marks

(10x2 = 20)

- I
M
en
- 1 State the meaning of Tax.
 - 2 What do you mean by residential status? ,
 - 3 Define perquisites.
 - 4 State the meaning of Annual Value.
 - 5 What do you mean by profession?
 - 6 Define Capital Asset.
 - 7 Write the meaning of Specified assessee.
 - 8 What do you mean by revocable transfer of assets?
 - 9 Who is called assessing officer?
 - 10 What do you mean by return of loss?

SECTION - B (25 Marks)

Answer **ALL** Questions

ALL Questions Carry **EQUAL** Marks (5 x 5 = 25)

- II a Write short notes on total income of a resident.
OR
- b Mr.Ram, an Indian citizen leaves India for the first time on 31st May 2014 and comes back on 15 May 2017. He again leaves India on 10 June 2018 to come back on 14th January 2019. He is living in India since then. Determine his status for the previous year 2018-19.
- 12 a Mr.Hari is employed at Amritsar on a salary of Rs.30,000 p.m. the employer is playing HRA of Rs.8,000 p.m. but the actual rent paid by him (employer) is Rs. 12,000 p.m. He is also getting 2% commission on turnover achieved by him and turnover is Rs.50,00,000. Calculate his gross salary.
OR
- b Explain the different types of rental values.
- 13 a Mr.Ankit received the following gifts during P.Y 2018-19:
- (i) He received a gift in cash of Rs.20,000 from his uncle on 30.6.2018.
 - (ii) He received a cheque of Rs.30,000 as a gift from his brother on 10.11.2018.
 - (iii) He received a gift of Rs.21,000 on his wedding from Mr.X on 1.12.2018.
 - (iv) He received Rs.25,000 as gift from his non-residents friend Mr.Y 30.12.2018.
 - (v) He received a gift of Rs.51,000 from his brother-in-law on 31.1.2019.
 - (vi) He received Rs.5,000 from Mr.Z, his resident friend on 15.2.2019.
- Calculate the taxable gift value.
OR
- b Explain the assets which are not included in capital assets.
- 14 a From the following particulars of income of assessee A how the capital losses shall be set off and carried forward for the previous year ending on 31-3-2019.

	Rs.
Business Income	60,000
Short term capital gain	20,000
Long term capital gain (land)	17,000
Carry forward loss (short term capital assets)	50,000

15 a Describe the 'Assessment Procedure'.

OR

b What is permanent Account Number? What is its significance.

SECTION - C (30 Marks)

Answer any **THREE** Questions

ALL Questions Carry **EQUAL** Marks (3 x 10 = 30)

16 Explain the different categories of assesses according to their residential status.

17 Mr.P owns a house at Chandigarh. This house property is used in following manner:

1/3rd of the house is used for own business,

1/3rd of the house for own residence,

1/3rd of the house is used by a tenant to whom it is let out @ Rs.3,000 p.m. and it was self-occupied for one month during the previous year. The municipal rental value of the house is Rs.96,000 p.a on which municipality levies 10% tax. These taxes are paid by the occupants. Compute net annual value of the house property for the previous year 2018-19 if each portion is an independent unit.

18 The following is the profit and loss account of a merchant for the year ending 31-3-2019.

Profit and Loss Account

	Rs.		Rs.
To Office Salary	2,06,500	By Gross Profit	4,36,750
To Bad Debts written off	1,700	By Commission	1,250
To Provision for Bad Debts	3,000	By Discounts	500
To Advertisement	53,800	By Sundry Receipts	200
To Fire Insurance Premium (House Property)	550	By Rent on Building	3,600
To General Expenses	52,750	By Profit on Sale of Investments	3,000
To Depreciation	1,200		
To Interest on Capital	2,000		
To Interest on Bank Loan (due)	1,300		
To Net Profit	1,22,500		
	4,45,300		4,45,300

Compute the taxable profits from business. The amount of depreciation is Rs. 1,000. Interest on bank loan was paid on 1-8-19. Due date of filing of return is 31-7-2019.

19 Mr.Atul, an Indian Resident, furnishes the following particulars of his income for the assessment year 2019-20. You are required to deal with set off and carry forward of losses.

* Income from securities (gross)	10,000
Income from residential house (computed)	5,000
Profit from Rayon business	25,000
Income from an agency business	2,000
Speculation income	2,000
Short term capital gain	4,000
Long term capital gain	9,500
The carry forward items from the assessment year 2018-2019 are:	
Loss from hosiery business (discounted in 2016-17)	4,000
Loss in agency business	3,000
Loss from Rayon business	3,000
Speculation loss	4,000
Short term capital loss	6,000
Long term capital loss (of previous year 2016-17)	6,500
Current year's depreciation for Rayon business is Rs.500.	

20 Describe the functions and powers of the Central Board of Direct Taxes.