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PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)
BCom DEGREE EXAMINATION MAY 2019
(Fourth Semester)

Branch – **COMMERCE (COST AND MANAGEMENT ACCOUNTING)**

DIRECT TAX - II

Time : Three Hours

Maximum : 75 Marks

SECTION-A (20 Marks)

Answer **ALL** questions

ALL questions carry **EQUAL** marks (10 x 2 = 20)

- 1 How will you determine the Residential Status of HUF?
- 2 Define LLP.
- 3 What is Dividend Distribution Tax?
- 4 What do you mean by MAT?
- 5 Define TDS.
- 6 What do you mean by Refund of tax?
- 7 What is E-Filing?
- 8 What do you mean by E-Commerce Transactions?
- 9 Define PAN.
- 10 What is self Assessment?

SECTION - B (25 Marks)

Answer **ALL** Questions

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

- 11 a The total income of a HUF computed under the normal provisions of income tax act is Rs. 20,000, however the adjusted total income of the HUF computed as per sec 115JC (2) amounted to Rs.30,000. Calculate the final tax liability of the HUF for A.Y 2018-2019.

OR

- b Calculate firms income under the head profits and gains for the assessment year 2018-19 from information given below:

| | Rs. | Rs. |
|---|----------|----------|
| Net profit as per P & L A/c (after debiting the following) | | 1,20,000 |
| Salary to A | 1,60,000 | |
| to B | 1,40,000 | |
| Commission to A | 1,20,000 | |
| Interest on capital @ 15% | | |
| to A | 30,000 | |
| to B | 15,000 | |

The payments to partners A & B (Who are working partners) have been made in accordance with partnership deed certified copy has been submitted along with return of income for the assessment year 2018-19. Also compute the individual income of partner A &B which is taxable under the head profits & gains.

- 12 a The total income of XYZ Ltd., a domestic company computed under the normal; provision of income tax act is Rs.2,50,000. however the books profits of the company (Calculated as per sec 115JB) amount to Rs.8,15,000. Calculate the liability of company for assessment year 2018-19, on the assumption that the total turnover of the company for the previous year 2015-16 did not exceed Rs.50 crores.

OR

- b Discuss the tax liability of a company.

Cont...

- 13 a The estimated tax liability of And Ltd. For the previous year 2017-18 is Rs.5,00,000. Calculate advance tax payable by the company in various instalments during the previous year 2017-18.
OR
- b Explain the brief the provision of income tax law relating to 'Advance payment of tax'.
- 14 a What is the time limit for filing of return under the income tax act?
OR
- b Describe briefly about rectification of mistakes in filing of Income tax Returns.
- 15 a What do you understand by best judgment assessment?
OR
- b What are the powers of the commissioner of income tax in regard to search and seizure under sec 132 of the income tax act?

SECTION - C (30 Marks)

Answer any **THREE** Questions

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

- 16 Sh. P Kapoor is karta of a HUF consisting of his brothers and major son. He has submitted following particulars regarding the income of HUF.
1. Profit from the business carried on by Mr.Kapoor on behalf of HUF., (after deducting Rs.35,000 paid as salary to Mr.A.P.Kapoor, brother and Rs.40,000 to Mr.O.P Kapoor for acting as salesman and Rs.18,000 have been paid to Mr.O.P. Kapoor as his salary for managing the business) is Rs.2,80,000.
 2. Family owns a house whose annual rental value is Rs.39,000 municipal taxes paid in respect of it are Rs.3,900 and the house is used for the residence of family. Fire insurance premium paid Rs.1000. municipal taxes actually paid during the year are Rs.2,000.
 3. Life insurance premium paid by karta.
 - i) On his own life Rs.6,000 on a new policy of Rs.50,000
 - ii) On joint life with hus spouse Rs.10,000 on a policy of Rs.20,000
 4. Interest from tax free debenture of a sugar mill co.Rs.5,400.
 5. Loss from speculation business Rs.32,000.
 6. The HUF has not been able to pay sales tax upto Rs.30,000 on 31st march 2018 as such it was not debited to P & n L account. On 31-7-2018 it paid Rs.20,000. before the last date of filing of return,
 7. HUF has made following donations during the year:
 - i) To army welfare fund Rs.3,000
 - ii) to notified charitable hospital Rs.50,000
(it included Rs.25,000 given for promotion of family planning)
 8. Mr Anil Kapoor son of the karta purchased two lottery tickets of Rs.100 each one can on his name and other on the name of HUF and paid the price of cash box of HUF. On 1st ticket Mr.Anil received Rs.35,000 and on 2nd ticket Rs.70,000 as ottery prize. Compute the total income of HU
- 17 AB & Sons is a partnership firm assessed u/s 184 varrying on business in which A, B and C are equal partners. The following particulars are available in respect of the assessment year 2018-19.
- 18 What are the provisions of law regarding deduction of tax at source in respect in income from i) Salaries, ii) interest on securities?
- 19 Discuss the procedure to be followed for e-filing of returns for an individual?
- 20 The income tax act has provided the assessing office with vital powers to assess the income of any person discuss?