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(6th Semester)

COMMERCE

Paper No. : BC-604

(Income-tax Law and Practice)

(PART : A—OBJECTIVE)

(Marks : 25)

The figures in the margin indicate full marks for the questions

SECTION—I

(Marks : 15)

- 1. Indicate** whether the following statements are True (*T*) or False (*F*) by putting a Tick (✓) mark :

1×5=5

- (a) Tax evasion is the illegal act or practice of failing to pay taxes which are owed.

(T / F)

(2)

(b) Fair rent refers to the rent of a similar type of house in different localities.

(T / F)

(c) TDS ensures regular inflow of cash resources to the government.

(T / F)

(d) The Appellate Tribunal functions under the Ministry of Law.

(T / F)

(e) Income tax authorities have been constituted under Section 120 of the Income-tax Act, 1961.

(T / F)

2. Choose the correct answer and place its code in the brackets provided : 1×5=5

(a) Income accrued outside India and received outside India is taxable in case of

(i) resident and ordinary resident (ROR) only

(ii) resident but not ordinary resident (RNOR) only

(iii) Non resident only

(iv) ROR, RNOR and Non-resident []

(b) Which of the following is not an income taxable as income from other sources?

- (i) Family pension
- (ii) Casual income
- (iii) Director's fees for sitting or attending Board Meetings
- (iv) Rent received for house property []

(c) An assessee is required to pay tax in advance if his/her tax liability for the year is likely to be

- (i) ₹ 5,000 or more
- (ii) ₹ 10,000 or more
- (iii) ₹ 20,000 or more
- (iv) ₹ 30,000 or more []

(d) Revision of orders prejudicial to revenue can be made by the Commissioner of Income Tax (CIT) under

- (i) Section 261
- (ii) Section 262
- (iii) Section 263
- (iv) Section 264 []

(e) The Inspectors of Income Tax (IIT) are appointed by

- (i) Income tax Officers (ITOs)
- (ii) Central Board of Direct Taxes (CBDT)
- (iii) Commissioner of Income Tax (CIT)
- (iv) Joint Directors of Income Tax (JDIT)

[]

3. Fill in the blanks :

1×5=5

(a) Assessment year can be a period of

.....

(b) Assets held by the assessee for a period of 12 months or more are treated as

..... capital assets.

(c) Debt to a government incurred by a tax payer as accrued or assessed taxes is called

.....

(d) Advance ruling has been defined in

..... of the Income-
tax Act, 1961.

(e) DCIT stands for

(6)

SECTION—II

(Marks : 10)

4. Write short notes on the following : 2×5=10

(a) Assessment Year

(7)

(b) Perquisites

(c) Net Annual value

(8)

(d) Gratuity

(e) Income from other sources
