

2023

(FYUGP)

(3rd Semester)

COMMERCE

(Major)

Paper Code : BC/C6

(Income Tax Law and Practice)Full Marks : 75

Pass Marks : 40%

Time : 3 hours

The figures in the margin indicate full marks
for the questions

1. (a) Write short notes on the following :

5×3=15

(i) Agricultural income

(ii) Person

(iii) Gross total income

Or

(b) Explain the residential status of an
individual.

15

(2)

2. (a) Mr. Gupta is employed at Dimapur with a basic salary of ₹ 30,000 p.m. and is given the following allowances :

- (i) Dearness allowance—₹ 3,000 p.m.
- (ii) Transport allowance—₹ 2,500 p.m.
- (iii) Cash allowance—₹ 1,000 p.m.
- (iv) Education allowance @ ₹ 300 p.m. per child for three children
- (v) Overtime allowance—₹ 1,500 p.m.
- (vi) City compensatory allowance—
₹ 800 p.m.
- (vii) Conveyance allowance—₹ 900 p.m.
- (viii) House rent allowance—₹ 6,000 p.m.

Rent paid for the house ₹ 8,000 p.m.
Find out Mr. Gupta's gross salary income. 15

Or

(b) Explain house property income. What are the conditions to be considered while computing income from house property? 15

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(Continued)

((3))

3. (a) Mr. Sarma is the proprietor of a business. His Profit and Loss A/c for the year ended 31st March, 2022 are as follows :

	₹		₹
General expenses	30,000	Gross profit	2,20,000
Rent and rates	10,000	Bad debts recovered but disallowed	8,000
Bad debts	5,000		
Salaries	80,000		
Interest on capital	8,000	Rent received from employees	15,000
Income tax	7,000	Interest from Govt. securities	10,000
Depreciation	6,000	Income from house property	20,000
Sales tax (due)	8,000	Interest from debtors	4,000
Donations	7,000		
Adv. income tax	4,000		
Motorcar expenses	5,000		
Advertisement (cash)	45,000		
Fire insurance premium	8,000		
Net profit	54,000		
	<u>2,77,000</u>		<u>2,77,000</u>

General expenses include ₹ 4,000 by way of help to a poor student. Depreciation calculated according to the rates which comes to ₹ 3,500. Sales tax was paid on 01.05.23. Date of filing of return is 31.07.23. 60% of motorcar's expenses are for proprietor's personal use. Compute Mr. Sarma's business income. 15

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(Turn Over)

(4)

3. (a) Mr. Sharma the proprietor of a business His Profit and Loss A/c
- (b) Explain the types of income under 'income from other sources'. 15
4. (a) Explain how rebate and reliefs are claimed under the Income-tax Act. 15
- Or
- (b) The following is the particulars of Mr. P for the year ended 31st March, 2023 :
- (i) Basic salary—₹ 6,000 p.m.
 - (ii) DA 40% of basic salary (terms of employment)
 - (iii) Education allowance for two children @ ₹ 600 p.m.
 - (iv) Wardenship allowance—₹ 6,000 p.m.
 - (v) Income from house property (computed)—₹ 30,000
 - (vi) Examinership remuneration—₹ 5,000
 - (vii) Interest on government securities—₹ 10,000
 - (viii) He received ₹ 5,000 for writing articles in a Journal
- During the year, he paid ₹ 12,000 as life insurance premium on his own life. He contributed to PPF ₹ 50,000.
- Find out his total income for the Assessment Year 2023-2024. 15

(Continued)

(5)

5. (a) Explain the process of filing income-tax return. 15
- Or
- (b) What do you mean by tax deduction at source (TDS)? Explain the procedure for tax deduction from salaries. 3+12=15
