

Exam. Code : 115305

Subject Code : 8263

B.Com. (Financial Services) 5th Semester

INCOME TAX LAW—I

Paper—III

Time Allowed—3 Hours] [Maximum Marks—50

Note :— Attempt **FIVE** questions in all, selecting at least **ONE** question from each section. The fifth question may be attempted from any section. All questions carry equal marks.

SECTION—A

- I. "The income tax is charged on the income of the previous year". Discuss along with the exceptions to the rule, if any. 10
- II. Briefly describe the rates of taxes applicable to various assesses as per Income Tax Law. 10

SECTION—B

- III. Mr. Narinder owned four houses, the municipal valuations are Rs. 10,000, Rs. 15,000, Rs. 20,000 and Rs. 25,000 respectively. The municipal taxes are 20%. The first house is for his residence. The second house is let out

for a monthly rent of Rs. 1,000. The third house is let out for a business at annual rent of Rs. 25,000. In the fourth house, Narinder is carrying out his own business. He claims the following deductions :

Interest on mortgage of the first house is Rs. 900 and Rs. 1,000 is paid as wages to a gardener in respect of third house. Compute taxable income of four house properties of Mr. Narinder for the A.Y. 2021-22.

10

- IV. Explain the tax treatment of various allowances received by a salaried individual. 10

SECTION—C

- V. Discuss the provisions of Income Tax Act regarding deductions expressly disallowed while computing profits of business or profession. 10

- VI. Write a note on exempted capital gains. 10

SECTION—D

- VII. Mr. Rishab gives the following particulars of previous year 2020-21 :

Family Pension received Rs. 2,500 per month

Winning from lotteries Rs. 35,000 (Net)

Interest received on investment of Rs. 22,000 in 10% Tax free Debentures of AB Ltd. (Listed)

Interest received on investment of Rs. 59,000 in 10% Debentures of XY Ltd. (Unlisted)

Interest from Maharashtra Government Bonds Rs. 8,500

Interest from Tax-free Punjab Government bonds Rs. 6,200

His expenses were : Rs. 500 charged by his banker as commission on interest realized and 2% brokerage to buy and sell securities. Interest paid on loan taken to buy XY Ltd. debentures Rs. 1,000. Expenses on purchasing lottery tickets were Rs. 1,000. Compute income from other sources for the A.Y. 2021-22.

10

- VIII. What do you mean by the term deduction ? Briefly discuss various deductions that are allowed while computing total income of an individual assessee.

10