

Reg. No. :

Name :

Sixth Semester B.Com. Degree Examination, March 2021

First Degree Programme under CBCSS

Stream I : Finance

Elective Course IV : CO 1661.1

TAXATION LAW AND ACCOUNTS

(2018 Admission Regular)

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer **all** questions in **one** or **two** sentences each. Each question carries **1** mark.

1. What is Finance Act?
2. What is assessment year?
3. What is an Indian company?
4. Who is responsible for filing income tax return as per income tax Act?
5. Who is an Assessing officer of income tax?
6. What is self-assessment?
7. What is belated return?

8. Write a note on rounding of income tax.
9. What is IGST?
10. Under what circumstances registration under GST not required?

(10 × 1 = 10 Marks)

SECTION – B

Answer **any eight** questions in not exceeding **one** paragraph each. Each question carries **2** marks.

11. Who is an assessee?
12. What is Gross total income?
13. What is MAT?
14. State the rate of income tax for individuals?
15. What is LLP?
16. What is rebate of tax u/s 87A?
17. What are the deductions available u/s 80P in respect of income of co-operative society?
18. What are the incomes which cannot be treated as family income of HUF?
19. What is meant by e-return?
20. State the due date of filing income tax return.
21. What is PAN? What are its uses?
22. What are the different types of assessment under the Income Tax Act 1961?
23. What is tax evasion?

24. Write short note on 'incidence of GST'?

25. What is Input tax credit?

26. What is tax invoice?

(8 × 2 = 16 Marks)

SECTION – C

Answer **any six** questions in not exceeding **120** words each. Each question carries **4** marks.

27. State any five deductions u/s 80 which can be claimed by a HUF.

28. How the total income of a company is computed?

29. State the provisions regarding rectification of mistake under the Income Tax Act.

30. State any four offences and penalty for such offences under the Income Tax Act.

31. What is the need for registration under GST law?

32. Distinguish between firm assessed as such and firm assessed as AOP.

33. What are the advantages of filing e-return?

34. Explain the term 'supply' in GST.

35. Indicate whether the following acts can be considered as tax evasion, tax avoidance or otherwise:

(a) A deposits ₹ 75,000 in the term deposit with the Post Office to avail tax deduction under section 80C.

(b) B is using a motor car for his personal purposes, but charges as business expenditure.

(c) C Ltd. installed an air-conditioner costing ₹ 1,00,000 at the residence of a director as per terms of his appointment but treats it as fitted in quality control section in the factory.

(d) D Ltd. maintains a register of tax deduction at source affected by it to enable timely compliance.

36. The following details have been supplied by HUF Compute the total income for the AY 2020-21

	₹
Business profit	4,25,000
Rent received from house property	42,000
Local taxes on the above property paid	3,600
Donation to an approved institution by cheque	10,000

37. Compute Total Income of Mr.R

	₹
Business income	7,50,000
Deposit in PPF	70,000
NSC VIII issue purchased	50,000
Interest on loan taken for higher education of his son	30,000
Spend for medical treatment of disabled dependent	35,000

38. A co-operative society has the following incomes. Compute total income of the society for the AY 2020-21.

	₹
Income from house property	10,000
Income from book shop	25,000
Interest on securities gross	16,000
Dividend from another co-operative society	24,000

(6 × 4 = 24 Marks)

SECTION – D

Answer **any two** questions in not exceeding **four** pages each. Each question carries **15** marks.

39. Explain the general powers of the income tax authorities.
40. Explain the provisions of the Income Tax Act on advance payment of tax.
41. What are the factors to be considered while tax planning?
42. Describe the brief history behind the emergence of GST.
43. From the following particulars compute the total income of HUF for the Assessment year 2020-21:

	₹
Profits from Business (after charging ₹60,000 salary to Karta)	4,50,000
Salary received by Mr.A, member of HUF from a company	2,40,000
Directors fees received by Karta (He became director by his personal capacity)	24,000
Rental Value of the property let out	60,000
Municipal Tax paid for two years	15,000
Professional Income of Mr.B, who is another member from Medical Profession	1,20,000
Agricultural Income of the Family	20,000
Interest on Savings Bank a/c	9,000
Karta donated ₹ 4,000 approved local college by cheque	
Lottery income of ₹ 24,500 (net) (of the family)	
Mr. A lost ₹ 25,000 in horse race	

44. R, S and T are partners of a firm with equal shares. The profit and loss account for the year ended 31.3.2020 shows net profit of ₹ 102,500 after debiting the following as per deed

- (a) Salaries of ₹ 24,000 and ₹ 12,000 to R and S respectively.
- (b) Bonus to T ₹ 12,000
- (c) ₹ 5,000 for interest on capital to R calculated @20%
- (d) ₹ 12,000 for rent of the business premises paid to S
- (e) Commission of ₹ 9,000 to T

Compute total income of the firm and taxable business income of partners for the Assessment Year 2020-21 assuming that all are working partners.

(2 × 15 = 30 Marks)