Bc/ITLP-604

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(6th Semester)

COMMERCE

Paper : BC-604

(Income-tax Law and Practice)

Full Marks : 70   Pass Marks : 45%

Time : 3 hours

(PART : B—DESCRIPTIVE)

(Marks : 45)

*The figures in the margin indicate full marks
for the questions*

1. (a) Define income tax. Briefly explain tax
planning and describe the methods of
tax planning.   2+7=9

Or

(b) What is tax incidence? Discuss the
incidence of tax for different types of
residential status.   2+7=9

(Turn Over)

2. *(a)* Briefly explain the capital gains which are exempted from tax. 9

Or

(b) Determine the net annual value of Mr. Sarkar, a resident in the following cases :

|	House-1 ₹	House-2 ₹	House-3 ₹
Expected fair rent	84,000	84,000	84,000
Municipal value	72,000	72,000	72,000
Standard rent	80,000	90,000	78,000
Actual rent received/ receivable if property remains let out	1,20,000	1,40,000	1,80,000
Unrealized rent	30,000	72,000	72,000
Local taxes borne and paid by owner in previous year	6,000	12,000	18,000

3. *(a)* What is tax deduction at source? Explain the deduction of tax at source with regard to salaries. 2+7=9

Or

(b) What is Advance Payment of Tax? Explain the benefits of paying Advance Tax. 2+7=9
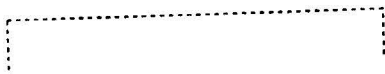
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(3)

4. *(a)* Discuss briefly the procedure of an appeal to the Commissioner (Appeals).   9

Or

(b) What are the provisions regarding revision of order by the Commissioner of Income Tax?

5. *(a)* State the constitution, power and authority of the Central Board of Direct Taxes.   9

Or

(b) Explain the classes of income tax authorities and the procedure of appointment of income tax authorities.   5+4=9

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(6th Semester)

COMMERCE

Paper : BC–604

(Income-tax Law and Practice)

(PART : A—OBJECTIVE)

(*Marks* : 25)

The figures in the margin indicate full marks for the questions

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

1×5=5

(a) Assessee is always a person but a person may or may not be an assessee.

(T / F)

(b) Every deductor is required to obtain a unique identification number called TAN.

(T / F)

(c) Appealable orders before Commissioner come under Section 246A.

(*T* / *F*)

(d) CCIT expands as Central Council of Direct Taxes.

(*T* / *F*)

(e) Deduction for medical insurance premium on life is applicable u/s 80D.

(*T* / *F*)

2. Choose the correct answer and place its code in the brackets provided : 1×10=10

(a) The aggregated income from all heads of income is called

    (i) annual income

    (ii) net income

    (iii) gross total income

    (iv) None of the above   [   ]

(b) Income from business and profession comes under

    (i) Sections 18 to 25

    (ii) Sections 28 to 44

    (iii) Sections 22 to 28

    (iv) Sections 43 to 56   [   ]

(c) Under which Section of the Income-tax Act, 1961, Advance Ruling is defined?

    (i) Section 265(b)

    (ii) Section 245N(a)

    (iii) Section 240

    (iv) Section 243(a)   [   ]

(d) The year which is taxable is called

    (i) Assessment Year

    (ii) Current Year

    (iii) Previous Year

    (iv) None of the above   [   ]

(e) Which of the following is not a part of total income computation?

    (i) Salary

    (ii) House property

    (iii) Capital gain

    (iv) Lottery prize   [   ]

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

   (i) Casual income

   (ii) Family pension

   (iii) Director's sitting fee

   (iv) Legal fee   [   ]

(g) Which of the following incomes is exempt from tax?

   (i) Dividend received

   (ii) Money received by a member from HUF

   (iii) Salary income

   (iv) House property income   [   ]

(h) Residential status to be determined for

    (i) Previous Year

    (ii) Assessment Year

    (iii) Accounting Year

    (iv) Financial Year   [   ]

(i) Appeal by person denying liability to deduct tax is mentioned under

    (i) Section 248

    (ii) Section 245

    (iii) Section 238

    (iv) Section 240   [   ]

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(j) ITO stands for

    (i) Indian Tax Officer

    (ii) Income Tax Organization

    (iii) Income Tax Officer

    (iv) International Tax Office   [   ]

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

(a) Ordinary resident

(b) Previous year

(c) Tax planning

(d) Provident fund

(e) Assessment Year

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