

**Bc/ITLP-604**

**2 0 2 1**

( 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.** Choose and write the correct answer from the options provided : 1×10=10

- (a) Every assessee is a person and
- (i) every person is also an assessee
  - (ii) every person need not be an assessee
  - (iii) an individual is always an assessee
  - (iv) A HUF is always an assessee
- (b) Residential status is to be determined for
- (i) accounting year
  - (ii) assessment year
  - (iii) previous year
  - (iv) All of the above

- (c) An income earned from winning lottery is computed under
- (i) income from salary
  - (ii) income from house property
  - (iii) income from profession
  - (iv) income from other sources
- (d) Income from business and profession comes under
- (i) Section 18 to 25
  - (ii) Section 28 to 44
  - (iii) Section 22 to 28
  - (iv) Section 43 to 56
- (e) Under the IT Act, winning from lottery, puzzle or games must deduct tax at the rate of
- (i) 35%
  - (ii) 70%
  - (iii) 30%
  - (iv) 20%
- (f) Payment of Advance Tax by an Individual Assessee on or before 15th December should be
- (i) not less than 60%
  - (ii) not less than 30%
  - (iii) not less than 90%
  - (iv) not less than 100%

- (g) “Appeal by a person denying liability to deduct tax” is under which Section of IT Act?
- (i) Section 247
  - (ii) Section 248
  - (iii) Section 250
  - (iv) Section 252
- (h) Order of Appellate Tribunal comes under
- (i) Section 248
  - (ii) Section 230
  - (iii) Section 234
  - (iv) Section 262
- (i) CBDT is created under the Central Board of
- (i) Revenue Act, 1961
  - (ii) Income-tax Organization Act, 1961
  - (iii) Revenue Act, 1963
  - (iv) Income-tax Act, 1961
- (j) The person with whom an assessee comes into direct contact is
- (i) Commissioner of Income Tax
  - (ii) Director of Income Tax
  - (iii) Joint Commissioner of Income Tax
  - (iv) Income-tax Officer

( 4 )

2. State whether the following statements are *True*  
or *False* : 1×5=5

- (a) A person may not have assessable income but may still be assessee.
- (b) For computation of House Rent Allowance, salary means basic pay only.
- (c) TDS is not a method of collection of taxes.
- (d) Section 260 (B) of Income-tax Act, states about Appeal to High Court.
- (e) Income-tax authorities have been constituted under Section 116 of the Income-tax Act, 1961.

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

- (a) Tax Avoidance
- (b) Gross Total Income
- (c) Gratuity
- (d) Persons
- (e) Appeals

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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) What is an Income as per Income-tax Act, 1961? Explain the features of Income. 3+6=9

*Or*

- (b) Explain the residential status of an Individual as per Income-tax Act, 1961. 9

2. (a) What is fringe benefit? Explain as per the provisions of the IT Act related to 'Income from Salary'. 2+7=9

*Or*

- (b) MRV of a residential house is ₹24,000 and actual rent is ₹2,500 p.m. During the previous year 2019-2020 the house was vacant for two months. The Municipal taxes are @10% of MRV. During the year, the owner paid ₹30,000 as arrears of Municipal taxes. Interest on loan taken for the construction of the house payable to his employer is ₹16,000. Compute income from house property. 9

3. (a) Discuss tax deduction at sources. 9

*Or*

- (b) What do you understand by advance payment of Tax? Explain the provisions of the Income-tax Act in respect of advance payment of Tax. 2+7=9

4. (a) Explain the procedure of an Appeal to the Commissioner of Income Tax. 9

*Or*

- (b) State the revisionary power of The Commissioner of Income Tax as mentioned under the Income-tax Act, 1961. 9

( 3 )

5. (a) What is CBDT? Explain the powers and functions of the Commissioner of Income Tax. 2+7=9

*Or*

- (b) Who is an ITO? Explain the powers and functions of an ITO in the context of Income-tax Authorities under the Income- tax Act, 1961. 2+7=9

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