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Reg. No.....

Name.....

M.Com. DEGREE (C.S.S.) [PRIVATE] EXAMINATION, APRIL 2024

Fourth Semester

Faculty of Commerce

CM 010 402—INCOME TAX—ASSESSMENT AND PROCEDURE

(2019 Admission onwards)

Time : Three Hours

Maximum Weight : 30

Instructions : (Applicable for 2020 Admission onwards) : *This question paper contains **two** sections. Answer **Section I** questions in the answer book provided. **Section II Internal Examination** questions must be answered in the **question paper** itself. Follow the detailed instructions given under **Section II**.*

Section I

PART A

*Answer any **eight** questions.*

*Answer shall not exceed **one page**.*

Each question carries a weight of 1.

1. What are the features of the assessment of firms ?
2. Define a widely - held company.
3. Mention the exempted incomes u/s 11 of a trust wholly charitable.
4. State the powers of Commissioner (Appeals).
5. Explain Self-Assessment.
6. Write a short note on tax evasion.
7. What do you mean by compulsory Return ?





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8. A, B and C are partners of a firm with equal shares. The Profit and Loss Account for the year 31-3-2023 shows a net profit of Rs. 99,750 after debiting the following as per deed. (a) Salaries of Rs. 20,000 and Rs. 15,000 to A and B respectively ; (b) Bonus to C Rs. 15,000 ; (c) Rs. 5,000 for interest on capital to A calculated @ 20 % (d) Rs. 10,000 for rent of the business premises paid to B ; and (e) Commission of Rs. 5,000 to C. Compute Book Profit and the total income of the firm for the A.Y.2023-24. Assume that it is a professional firm and all are working partners.
9. For the A.Y 2022-23 the Hyderabad Co-operative Society derived the total income from the following sources :

| | | Rs. |
|---|-----|--------|
| Income from processing with the aid of power | ... | 10,000 |
| Income from collective disposal of labor of its members | ... | 15,000 |
| Interest from another co-operative society (Gross) | ... | 30,000 |
| Income from house property | ... | 20,000 |
| Income from other business | ... | 10,000 |

Determine its taxable income and calculate tax.

10. In the previous year 2022-23, a Charitable Trust derived an income of Rs. 4,00,000 from property held for charitable purpose, including Rs. 25,000 by way of tax deducted from a part of such income at source. During the year the Trust spent Rs. 2,20,000 for charitable purposes. Determine the taxable income.

(8 × 1 = 8)

PART B

*Answer any **six** questions.*

*Answer shall not exceed **two** pages.*

Each question carries a weight of 2.

11. Explain the provisions for payment of tax by Companies u/s 115 JB.
12. Who is liable to pay advanced tax? State the due dates for payment of advanced tax by an individual.





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13. List out the powers of the Central Board of Direct Tax.
14. Distinguish between tax planning and tax management.
15. An Association of persons has 3 members who shares profit and losses equally. The profit of A.O.P as per its Profit and Loss Account is Rs. 3,90,000 after debiting the following to its Profit and Loss Account.
- (a) Remuneration to members of A.O.P.—Rs. 62,000
 - (b) Interest on capital to members—Rs. 70,000
 - (c) Depreciation on Fixed Assets—Rs. 60,000
- Depreciation allowable is only—Rs. 50,000. Compute the tax payable by A.O.P., if none of the members of A.O.P. has income exceeding the non-taxable limit.
16. X, Y and Z are partners in a firm assessed as firm sharing profits and losses in the ratio of 3:2:1. The firm's Profit and Loss Account as on 31-3-2023 showed a net profit of Rs. 1,17,360 after debiting the following :
- (a) Salary of Rs. 4,000 paid to Z.
 - (b) Commission to Y Rs. 1,000.
 - (c) Donation to approved bodies Rs. 5,000 by cheque.
- The amount of the Net profit includes Rs. 10,400 from interest on Government Securities. Compute Firm's business profit.
17. The book profit of a company in the previous year 2022-23 computed in accordance with Sec. 115 JB of the Income Tax Act, is Rs. 12,00,000. Its total income under Income Tax Act for the same period is computed at Rs. 3,50,000. Is the company liable to pay Minimum Alternative Tax ? If yes, how much has to be paid.
18. From the following information compute the total income of a charitable trust and its tax liability for the A.Y. 2023-24.
- (i) Income of the trust—Rs. 10,00,000.
 - (ii) Donations-corporate—Rs. 5,00,000.
 - (iii) Other voluntary donations—Rs. 4,00,000.
 - (iv) Anonymous donations—Rs. 5,00,000.
 - (v) Spent for charitable purpose in India—Rs. 8,00,000.

(6 × 2 = 12)





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PART C

*Answer any **two** questions.*

*Answer shall not exceed **five** pages.*

Each question carries a weight of 5.

19. What are the various authorities envisaged in the Indian Income Tax Law and what are their functions ?
20. P, Q and R are equal partners in a firm. For the previous year, the particulars of income of the firm are given below :

- (a) Profit from business after debiting remuneration to partners Rs. 2,00,000
- (b) Long term Capital Gains—Rs. 1,00,000
- (c) Interest on Bank Deposit—Rs. 50,000
- (d) Remuneration to partners—Rs.1,80,000
- (e) Unabsorbed depreciation—Rs. 30,000
- (f) Brought forward business loss—Rs.2,00,000
- (g) Capital gain invested in specified asset—Rs. 30,000
- (h) Amount deposited in Capital Gain A/C scheme, 1988 Rs. 30,000

Compute total income and tax liability of the firm.

21. Raja Traders Ltd. Closes its accounts on 31st March every year. During 2022-23 it had the following incomes and expenses :

- (a) Profit from business—Rs.2,00,000
- (b) Long term capital gain on transfer of land—Rs.1,00,000
- (c) Long term capital gain on transfer of building—Rs.1,50,000
- (d) Short term capital loss—Rs. 60,000
- (e) Rent from house property—Rs. 36,000
- (f) Municipal tax paid relating to house property—Rs. 4,000





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- (g) Dividend from an Indian Company—Rs. 10,000
- (h) Income from units of UTI—Rs. 5,000
- (i) Dividend from co-operative society—Rs. 10,000
- (j) Income from royalty from a foreign company Rs. 1,00,000

Compute total income of the company for the A.Y.2023-24.

22. Star College Co-operative Society Ltd. Agra had the following income during the year ended 31st March, 2023 :

- (i) Income from the Society's canteen—Rs. 10,000
- (ii) Income from Merchandise business—Rs. 43,000
- (iii) Income from credit facilities given to members—Rs. 8,000
- (iv) Interest from Govt. Securities—Rs. 10,000
- (v) Taxable income from house property—Rs. 6,000
- (vi) Dividends (Gross) on shares held in another Co-operative Society —Rs. 5,000

Determine the gross total income, the total income and tax liability of the society for the A.Y. 2023.-24.

(2 × 5 = 10)

