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(6th Semester)

COMMERCE

Paper No. : 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*

Answer **all** questions

1. (a) Explain the concepts of 'income' and 'casual income'. Distinguish between tax avoidance and tax evasion. 5+4-9

Or

- (b) Explain the residential status of an individual. 9

2. (a) Explain the various heads of income. 9

Or

- (b) Mr. B. K. Roy owns a residential house property. It has two equal residential units—Unit 1 and Unit 2. While Unit 1 is self-occupied by Mr. Roy for his residential purpose, Unit 2 is let out (rent being ₹ 6,000 per month, rent of 2 months could not be recovered). Municipal value of the property is ₹ 1,30,000, standard rent is ₹ 1,25,000 and fair rent is ₹ 1,40,000. Municipal tax is imposed @ 12 per cent which is paid by Mr. Roy. Other expenses for the previous year 2013-14 being repairs ₹ 250, insurance ₹ 600, interest on capital (borrowed during 2005) for constructing the property ₹ 63,000.

Find the income of Mr. B. K. Roy for the assessment year 2014-15 on the assumption that income of Mr. B. K. Roy from other sources is ₹ 1,80,000.

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

Or

- (b) What do you understand by advance payment of tax? Explain clearly the provisions of the Income-tax Act in this respect.

4. (a) State the procedures of filing appeal before Income Tax Appellate Tribunal, High Court and Supreme Court under the Income-tax Act, 1961.

9

Or

- (b) State the procedures of revision of orders by the Commissioner of Income-tax as mentioned under Income-tax Act, 1961.

5. (a) What are the various income tax authorities envisaged in the Income-tax Act, 1961? Briefly discuss their functions.

9

Or

- (b) Enumerate the functions of the Central Board of Direct Taxes.

2015

(6th Semester)

COMMERCE

Paper No. : BC-604

(Income-tax Law and Practice)

(PART : A—OBJECTIVE)

(Marks : 25)

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

SECTION—I

(Marks : 15)

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

1×5=5

- (a) Income tax is the tax on the total income of an assessee during a particular previous year determined in accordance with and subject to the provisions of the Income-tax Act.

(T / F)

(b) Any gain arising from the transfer of a capital asset during a previous year is chargeable to tax under the head 'Income from House Property'.

(T / F)

(c) Loss from business or profession can be set off against income under the head 'Salaries'.

(T / F)

(d) A person whose tax liability is nil, is not required to furnish return of income.

(T / F)

(e) Central Board of Direct Taxes was constituted under the Central Board of Revenue Act, 1961.

(T / F)

2. Choose the correct answer and place its code in the brackets provided : 1×5=5

(a) According to Section 2(31) of the Income-tax Act, 1961, the term 'person' includes

(i) an individual

(ii) a Hindu undivided family

(iii) an association of persons (AOP)

(iv) All of the above

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(b) Which of the following total incomes of an individual is taxable for the assessment year 2015-16?

(i) ₹ 2,50,000

(ii) ₹ 2,40,000

(iii) ₹ 2,00,000

(iv) ₹ 2,20,000

[]

(c) Which of the following Sections can be applied for deductions in respect of donations to Prime Minister/Chief Minister's relief funds, etc.?

(i) Section 80C

(ii) Section 80D

(iii) Section 80G

(iv) Section 80GG

[]

(d) An assessee aggrieved by any order of assessing officer may appeal to the

(i) Commissioner (Appeals)

(ii) Income-tax Appellate Tribunal

(iii) High Court

(iv) Supreme Court

[]

(e) Which one of the following income-tax authorities is appointed by the Central Government to exercise certain judicial powers?

(i) Commissioner of Income-tax

(ii) Commissioner (Appeal)

(iii) Joint Commissioner

(iv) Income-tax Officer []

3. Fill in the blanks :

1×5=5

(a) The scope of total income of any person depends

on his in India during the previous year.

(b) of net annual value is deductible irrespective of any expenditure incurred by the taxpayer.

(c) Any person responsible for paying any income chargeable under the head 'Salaries' is required

to deduct on the amount payable at the time of making such payment.

(d) can revise an order passed by the assessing officer.

(e) Every person is liable to pay advance tax if

advance tax payable is ₹..... or more.

SECTION—II

[Marks : 10]

4. Write short notes on the following : 2×5=10
- (a) Gross total income

(b) Income from other sources

(c) Assessment year

(d) Persons

(e) Appeals
