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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*

1. (a) How is the residential status of an individual determined for Income-tax purpose?

9

Or

- (b) State the incomes which are exempted under the IT Act.

2. (a) What is Provident Fund? Explain different types of Provident Fund. 2+7

Or

- (b) Mr. Gupta is an employec of a Private Ltd. Co. in Delhi. He was appointed in the grade 19,500-750-28,500 on 1-1-2010. He gets 30% DA and 10% city compensatory allowance of basic salary. The following facilities have been provided by the company :

- (i) A furnished rent free accommodation. The rent payable for the house is ₹ 8,000 p.m. and furniture costing ₹ 2,00,000 has been provided by the company.
- (ii) Education allowance of ₹ 100 p.m. for each of his three children is received.

As per the contract, the salary becomes due on the last day of every month. Compute his income from salary for the assessment year 2015-2016. 9

3. (a) State the important provisions relating to advance payment of tax under the Income-tax Act. 9

Or

- (b) What do you mean by Tax Deducted at Source? Discuss.

4. (a) Describe how the Income Tax Appellate Tribunal is constituted and discuss its function. 9

Or

- (b) Discuss briefly the procedure of an appeal to the Commissioner (Appeals).

5. (a) Describe the organizational structure of Income Tax Authorities under the Income-tax Act. 9

Or

- (b) Discuss the powers and functions of Commissioner of Income Tax.

2017

(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

SECTION—1

(Marks : 15)

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

1×5=5

- (a) Tax evasion is the illegal act or practice of failing to pay taxes which are owed.

(T / F)

- (b) Fair rent refers to the rent of a similar type of house in different localities.

(T / F)

- (c) TDS ensures regular inflow of cash resources to the government.

(T / F)

- (d) The Appellate Tribunal functions under the Ministry of Law.

(T / F)

- (e) Income tax authorities have been constituted under Section 120 of the Income-tax Act, 1961.

(T / F)

2. Choose the correct answer and place its code in the brackets provided :

1×5=5

- (a) Income accrued outside India and received outside India is taxable in case of

- (i) resident and ordinary resident (ROR) only
- (ii) resident but not ordinary resident (RNOR) only
- (iii) Non resident only
- (iv) ROR, RNOR and Non-resident []

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

(i) Family pension

(ii) Casual income

(iii) Director's fees for sitting or attending Board Meetings

(iv) Rent received for house property []

(c) An assessee is required to pay tax in advance if his/her tax liability for the year is likely to be

(i) ₹ 5,000 or more

(ii) ₹ 10,000 or more

(iii) ₹ 20,000 or more

(iv) ₹ 30,000 or more []

(d) Revision of orders prejudicial to revenue can be made by the Commissioner of Income Tax (CIT) under

(i) Section 261

(ii) Section 262

(iii) Section 263

(iv) Section 264 []

- (e) The Inspectors of Income Tax (IIT) are appointed by
- (i) Income tax Officers (ITOs)
 - (ii) Central Board of Direct Taxes (CBDT)
 - (iii) Commissioner of Income Tax (CIT)
 - (iv) Joint Directors of Income Tax (JDIT)

[]

3. Fill in the blanks :

1×5=5

(a) Assessment year can be a period of

.....

(b) Assets held by the assessee for a period of 12 months or more are treated as

..... capital assets.

(c) Debt to a government incurred by a tax payer as accrued or assessed taxes is called

.....

(d) Advance ruling has been defined in

..... of the Income-
tax Act, 1961.

(e) DCIT stands for

(6)

SECTION—II

(Marks : 10)

4. Write short notes on the following :

2×5=10

(a) Assessment Year

(.)

(b) Perquisites

(c) Net Annual value

(d) Gratuity

(e) Income from other sources
