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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) Distinguish between tax avoidance and tax evasion. Why is tax evasion unethical? 7+2=9

Or

- (b) Explain the residential status of an individual and a company. 9
2. (a) What is called Capital as per the Income-tax Act? Distinguish between long-term and short-term capital assets. 4+5=9

Or

(b) Mr. Gourav Bora furnishes the following particulars of his salary income for the previous year 2015-16 which he receives from his employer company :

- (i) Basic salary—₹ 10,000 p.m.
- (ii) Advance salary—₹ 2,000
- (iii) Medical allowance—₹ 600 p.m.
- (iv) Annual grant—₹ 3,000
- (v) Conveyance allowance—₹ 800 p.m.
(80% spent on official duty)
- (vi) Scholarship—₹ 1,000 p.m.
- (vii) Festival celebrations—₹ 2,000
- (viii) Professional tax deducted—₹ 1,000
- (ix) Rent-free unfurnished accommodation from 01.07.2015

Compute the income from salary of Mr. Bora for the Assessment Year, 2016-17 and give your assumptions whenever necessary.

9

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

Or

- (b) Discuss the provisions of the Income-tax Act, 1961 relating to deduction of tax at source. 9

4. (a) State the procedure of filing appeal before the Income-tax Appellate Tribunal, the High Court and the Supreme Court under the Income-tax Act, 1961. 9

Or

- (b) Discuss the procedure of appeals and revision as stated in the Income-tax Act, 1961. 9

5. (a) Explain the different income-tax authorities and the powers enjoyed by them. 9

Or

- (b) State the constitution, power and authority of the Central Board of Direct Taxes. 9

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COMMERCE

Paper No. : BC-604

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(PART : A—OBJECTIVE)

(Marks : 25) .

The figures in the margin indicate full marks for the questions

Answer **all** questions

1. Indicate whether the following statements are *True* or *False* by putting a Tick (✓) mark : 1×5=5

(a) An assessee means a person by whom no tax or any other sum of money is payable under the Income-tax Act.

True () *False* ()

(b) Perquisite cannot be given in monetary form.

True () *False* ()

(c) No tax will be deducted at source if interest is paid on the tax refunded.

True () *False* ()

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

True () False ()

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

True () False ()

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

- (a) Any person who deducts tax at source but does not deposit it in Government Treasury is called

- (i) assessee-in-default
- (ii) income-tax defaulter
- (iii) direct tax defaulter
- (iv) None of the above []

- (b) If any amount of unrealized rent is recovered during any subsequent previous year, the same will be taxable under the head

- (i) income from salary
- (ii) income from house property
- (iii) income from other sources
- (iv) None of the above []

(c) Deduction under Section 80C is allowed from

(i) gross total income

(ii) net total income

(iii) total income

(iv) taxable income []

(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 rate of income tax for a given year is fixed by the Act passed by the Parliament.

(b) Income from bank interest is chargeable under the head

(c) If advance tax has not been paid, the assessee shall be liable to pay simple interest under Section of the Income-tax Act @ 1% per month from the first day of April following the financial year.

(d) can revise an order passed by the Assessing Officer.

(e) The quantum of deduction allowed u/s 80D for parents shall be limited to

(5)

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

(a) Tax Evasion

(b) Capital Gain

(c) Tax Deduction at Source

(d) Appeals

(e) Central Board of Direct Taxes
