

B. Com. 6th Semester (Honours) Examination 2022

COMMERCE

Course ID: 61211

Course Code: BCOMH 601C-13

Course Title: Taxation-II

Full Marks: 40

Time: 2 Hours

The figures in the margin indicate full marks

Candidates are required to give their answer in their own words as far as practicable

1. Answer *any FIVE* of the following questions:

2 X5=10

নীচের যে কোন পাঁচটি প্রশ্নের উত্তর দাও

- Give two examples of income from business not taxable under the head "profits and Gains of Business or Profession"
- How is the profit from illegal business assessed under the Income Tax Act?
- Explain the term 'Rural Area'.
- What do you mean by 'Return of Income'?
- What do you understand by capital assets?
- What do you mean by 'Permissive Tax Planning'?
- Who can claim deduction under Section 80 C? State the maximum amount of such deduction.
- Give four examples of Agricultural income.

2. Answer *any FOUR* of the following questions:

5 X4=20

নীচের যে কোন চারটি প্রশ্নের উত্তর দাও

- Discuss the provisions relating to disallowance for payments made in cash exceeding Rs. 10,000 (or Rs. 35,000 in certain cases). 5
- What is PAN? Where quoting of PAN is compulsory? 2+3
- Mr. Hati purchased 1,000 unlisted equity shares @ Rs. 75 per share on 01.08.1999. He has got 500 Bonus shares on 30.09.2000. The fair market value of these shares on 01.04.2001 was Rs. 90 each. Again on 30.06.2019, he got 300 bonus shares. On 25.10.2020, he sold all the shares @ Rs. 325 per share at a brokerage of 2%.
Compute the Capital Gain of Mr. Hati for the Assessment Year 2021-22.

[Given that CII for 2019-20: 289, 2020-21: 301]

5

d) Mr. Tiger makes the following payments during the previous year 2020-21. Compute the amount of deduction allowed under section 80C for the relevant Assessment Year:

i] LIC Premium on own life Rs. 14,525 (Sum assured Rs. 1,25,000 and policy was taken on 01.03.2010)

ii] LIC Premium on dependent Sister's life Rs. 12,500 (Sum assured Rs. 2,00,000 and policy was taken on 01.02.2012)

iii] LIC Premium on married daughter's life Rs. 10,500 (Sum assured Rs. 1,00,000 and policy was taken on 01.02.2015)

iv) Contribution to Public Provident Fund Rs. 25,000 and to Unrecognised Provident Fund Rs. 15,000.

v) Repayment of HB loan to SBI Rs. 55,000 including interest on loan of Rs. 33,500.

vi) Tuition fees paid for his adopted son Rs. 1,000 p.m. and school development fees Rs. 10,000.

vii) Investment in NSC (IXth Issue) Rs. 35,000 and in 5 year Post Office Cumulative Time Deposit Rs. 25,000. 5

e) Mr. Chamcham (age 55 years) has a sugar factory and also the producer of sugarcane in India. He furnishes the following information for the Previous Year 2020-21. Compute taxable income and tax liability for the Assessment Year 2021-22 assume he does not opt to be taxed under New Tax Regime u/s 115BAC.

Sale of Sugar Rs. 8,50,000

Sale of Sugarcane Rs.50,000

Market price of Sugarcane transferred to sugar factory for use as raw material Rs.1,80,000

Cost of cultivation of Sugarcane Rs. 1,75,000

Cost of processing of sugar Rs. 1,60,000 5

f) Write note on taxability of 'Gift' under the head Income from other Sources. 5

3. Answer any ONE of the following questions: 10 X1=10

নীচের যে কোন একটি প্রশ্নের উত্তর দাও

a] Following is the Receipts and Payments Account of Mr. Perfect, a Chartered Accountant for the year ended 31.03.2021

Particulars	Amount (Rs)	Particulars	Amount (Rs)
To Balance b/d	22,500	By Salary to Staff	48,000
,, Audit fees	3,90,000	,, Stipend to Article clerk	30,000

„ Other Accounting works	65,000	„ Municipal tax	6,000
„ Examiner’s fees	12,800	„ Electric charges	12,600
„ Sale of Motor Car	60,000	„ Motor car expense	48,500
„ Bank Interest	43,000	„ Purchase of Motor car	2,50,000
„ Cash gift on Son’s marriage	30,000	„ Purchase of Books for Professional purpose	26,900
		„ Expense on Son’s marriage	85,000
		„ Membership fees to ICAI	10,000
		„ Household expenses	92,000
		„ Balance c/d	14,300
	<u>6,23,300</u>		<u>6,23,300</u>

Additional information:

- i) 40% of motor car expenses are in respect of his professional purpose.
- ii) WDV of motor car on 01.04.2020 was Rs. 80,000. New motor car purchased on 01.01.2021. Depreciation allowable on motor car is 20% p.a.
- iii) Municipal tax and Electric charges are in respect of premises acquired by Mr. Perfect.
- iv) One half of the premises were used by him as his residence and the other half used for his office.

Compute Income from Profession of Mr. Perfect for the Assessment Year 2021-22.

10

b) i] what do you mean by ‘Belated Return’? State the consequences for submission of belated return.

2+4

ii] ‘Tax avoidance is the art of dodging tax without breaking the taxation laws’ – Explain.

4
