

**B.Com. (Hons.) II Year Annual Mode
Income Tax Law and Practice
Code : B-106**

पूर्णांक : 100
M.M. : 100

*Attempt any two questions in all.
All questions carry equal marks.*

किन्हीं दो प्रश्नों के उत्तर दो।
सभी प्रश्नों के अंक समान हैं।

(Write your Name and Roll No. on each page of your answer sheet.)
(अपनी उत्तर पुस्तिका के प्रत्येक पृष्ठ पर अपना नाम और रोल नंबर लिखें।)

- 1(a) Define 'previous year'. Under what circumstances the income of the previous year is taxable in the same previous year?
- 1(b) Incidence of tax depends on the residential status of an assessee. Discuss with suitable examples.
- 1(c) Mr. X is a manager of a company in Delhi. He retires from services on 31-12-2019 after 28 years and 9 months of service. Other details are as follows for the previous year ending 31-3-2020:
- Basic salary Rs. 8,000 p.m.
 - House rent allowance Rs. 3,000 p.m. Rent paid by Mr. X Rs. 2,500 p.m.
 - Lunch allowance Rs. 100 per day for 80 days when Mr. X was on field duty.
 - Reimbursement by the company of the salary of a watchman and sweeper Rs. 1,200 p.m. each who are employees of Mr. X.
 - He receives Rs. 2,50,000 as gratuity. He was drawing a salary of Rs. 8,000 p.m. since 1-1-2019.
 - After retirement he is in receipt of pension @ 3,500 p.m. on 1-3-2020 he gets one-half pension commuted for Rs. 1,50,000.
 - During the previous year he deposited Rs. 10,000 in public provident fund. He paid the life insurance premium Rs. 4,000 (sum assured Rs. 50,000) on the policy taken on the life of his married son.
- Calculate his taxable income for the assessment year 2020-21.
- 2(a) Define annual value. State the deductions that are allowed from the annual value in computing the income from house property.
- 2(b) Discuss the provisions of Income Tax Act for valuing rent free furnished accommodation provided to the employee.
- 2(c) Mr. X owns a house in Delhi. During the previous year 2019-20, 3/4th portion of the house was self-occupied for full year and 1/4th portion was let out for residential purposes from 1-4-2019 to 31-12-2019 on a rent of Rs. 1,400 p.m. From 1-1-2020 this portion was also used for own residence. Municipal valuation of the house is Rs. 20,000. He incurred the following expenditure in respect of the house property:

Assignment

Municipal taxes due Rs. 12,000; Repairs Rs. 4,000; Fire insurance premium Rs. 7,000; Land revenue Rs. 8,000; Ground rent Rs. 4,000 were paid during the year.

A loan of Rs. 2,00,000 was taken on 1-4-2015 @ 9% p.a. for the construction of the house which was completed on 28-3-2016. Nothing was repaid on loan account so far.

Find out his income from house property for the assessment year 2020-21.

- 3(a) Distinguish between short-term and long-term capital assets.
- 3(b) Explain exemption under section 54 in respect of capital gain on the transfer of residential house property.
- 3(c) Discuss the provisions of section 43B regarding certain expenditure allowed on actual payment basis only.
- 3(d) How would you determine the residential status of an individual? Explain.

- 4(a) Mention the different kinds of incomes which are specifically charged under the head 'income from other sources'.
- 4(b) Explain deduction u/s 80U in respect of income of a person with disability.
- 4(c) Explain the provisions regarding 'clubbing of income of minor child' under the Income Tax Act.
- 4(d) Enumerate any ten incomes which do not form part of the total income.