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NA—128—2022

FACULTY OF COMMERCE

B.Com. (Third Year) (Fifth Semester) EXAMINATION

MAY/JUNE, 2022

(New Course)

INCOME TAX LAW AND PRACTICES

Paper (BC 5.4A)

(Taxation)

(Wednesday, 15-6-2022)

Time : 9.30 a.m. to 1.15 p.m.

Time— 3.45 Hours

Maximum Marks—75

N.B. :— (i) Q. No. 1 is compulsory.

(ii) Figures to the right indicate full marks.

(iii) Use of simple calculator is allowed.

1. From the particulars given below, determine deductions u/s 80 C for Mr. Vipin for the assessment year 2021-22. 20

Particulars	₹
(1) Investment in N. S. C. VIII issue	30,000
(2) Repayment of home loan taken from LIC (including interest of ₹ 25,000)	40,000
(3) Deposit in P. P. F.	30,000
(4) Tuition fee paid for three children	54,000
(5) LIC premium paid on own life	20,000
(6) LIC premium paid on wife's life (Sum assured ₹ 1,00,000, policy taken on 15.02.2012)	14,000
(7) LIC premium paid on life policy of his major son	7,000
(8) Group insurance premium paid	2,000
(9) Contribution to R. P. F.	6,000
(10) LIC premium paid on the life of married daughter	3,000

P.T.O.

2. A, B and C are partners of a firm enjoying profits and loss in the ratio of 3 : 2 : 1. From the following available particulars compute the book profit and total income of the firm for the A. Y. 2021-22 assuming that the firm fulfills the conditions of Sec. 184 : 15

Profit & Loss Account
(for the year ended 31.3.2021)

Particulars	₹	Particulars	₹
To Sundry Expenses	1,64,500	By Gross Profit	2,00,000
To Salaries :		By Interest on Securities	18,600
A 17,000		By Dividend from Indian Companies	10,000
B <u>15,000</u>	32,000	By Income from House Property	20,000
To Commission to C	20,000	By Capital Gains (Short-term)	18,000
To Interest on capital @ 12% p.a.			
A 5,000			
B <u>10,000</u>	15,000		
To Net Profit :			
A 17,550			
B 11,700			
C <u>5,850</u>	35,100		
	<u>2,66,600</u>		<u>2,66,600</u>

Sundry expenses include ₹ 5,000 spent for the purchase of a scooter by A for using as conveyance to attend office.

Or

Write a detailed note on computation of Book Profit.

3. The following are the incomes of Amit Co-operative Society for the year ended on March 31, 2021 :

	₹
(1) Interest on Securities	15,000
(2) Income from credit facilities to members	9,000
(3) Income from purchase and sale of agricultural implements and seeds to its members	18,000
(4) Income from marketing of agricultural produce of its members	30,000
(5) Profit from other business	40,000
(6) Interest and dividends from other Co-operative Societies	70,000
	20,000

Compute total income of the society for the assessment year 2021-22.

Or

What are the various deductions available for a Co-operative Society under Section 80P ?

4. A, B and C are members of an A. O. P. whose Profit and Loss Account is as follows :

Particulars	₹	Particulars	₹
To General Expenses	8,800	By Gross Profit	13,800
To Salaries to A	1,500	By Interest on securities	2,000
To Commission to B	4,000	By Net Loss :	
To Interest on Capital		A	1,400
A	1,200	B	1,400
C	1,000	C	1,400
To Charity	500		4,200
To Bad debts	600		
To Bad debts Reserve	1,900		
To Rent of Shop	500		
	20,000		20,000

Calculate total income of the AOP.

P.T.O.

Or

What is Association of Persons and Body of Individuals ? Distinguish between them.

5. Write short notes on any *two* of the following : 10

- (i) TDS on Salary
- (ii) TDS on Interest
- (iii) TDS on Commission
- (iv) TDS on Rent.