



Avinashilingam Institute for Home Science and Higher Education for Women
Deemed to be University Estd. u/s 3 of UGC Act 1956, Category 'A' by MHRD (now MoE)
Re-accredited with 'A++' Grade by NAAC. CGPA 3.65/4, Category I by UGC
Coimbatore - 641 043, Tamil Nadu, India

Continuous Internal Assessment Test II – Apr 2024
SEMESTER VI

Class: III UG
Major: BBA (RM)

Time: 2 Hours
Max. Marks: 60

21BREC25- Income Tax Law and Practice

Course Outcome:

- CO1: Elucidate an understanding of theoretical and technical Knowledge of taxation law Principles as they apply through legislation, for both individuals and business entities.
CO2: Analyse, generate and transmit solutions to complex problems in relation to taxation matters
CO3: To efficiently compute tax for business and profession and knowledge on tax authorities
CO4: To efficiently handle assessment of Individuals and partnership firm
CO5: To be a potential person on the knowledge of Income Tax Authorities.

Part- A

Choose the correct the answer

(6X1=6)

1. The charging of the income under the Capital Gain is CO3:K1
a. Section 15 b. Section 17 c. Section 10 d. Section 45(1)
2. Amount paid to an approved University for social research. The deduction shall be allowed in respect of payment CO3:K1
a. 100% b. 125% c. 150% d. 200%
3. Short term capital loss can be set-off against: CO4: K1
a. Short term capital gain b. Long-term capital gain
c. Income under any other head d. Either (a) or (b)
4. The salary of Member of Parliament is taxable under the head CO4:K1
a. Salary b. Income from Other Sources
c. Income from Business d. All of the above
5. From which income, direct tax is not applicable? CO4:K1
a. Identification number b. Dearness Allowance
c. Leave travel Allowance d. Tax Deduction and collection account number
6. Medical treatment of a dependent that is a person with disability will be allowed upto CO5:K1
a. 1,00,000 b. 1,75,000 c. 1,25,000 d. 75,000

Part B

Answer ALL questions

(3 x 6 = 18)

7. (a) Explain the Exemption on capital gain. CO3:K2
(Or)
(b) Discuss the admissibility of following items CO3:K3

(i) Amount Spent on acquisition of land for setting up research laboratory Rs. 2,00,000
(ii) Expenditure in construction of building for such laboratory Rs 3,50,000
(iii) A limited company gives Rs 80000 to an approved National Laboratory for carrying out research in an approved field of research.
(iv) Amount of salary paid to staff engaged in research. a) Rs 60000 paid before 2-4-2022 i.e. date of commencement of business. Research was relating to assessee's own field of business. b) Rs 42000 paid as salary to staff engaged in such research during 2022-23
(v) A computer costing Rs 160000 was purchased with the object of using it for research but on acquisition it was found that it can't be used for research. Nevertheless, it was installed in the business office
(vi) (a) Mr. X gave Rs 60000 to University of Bangalore for carrying out research in an approved field of research and it is not related with assessee's business b) Mr. X also gave Rs 40000 to Panjab university of Chandigarh for research in the field of eradication of malaria in the state of Punjab

8. (a) Describe the method of computing income under the Head "Income from other sources".

CO3:K4

(Or)

(b) Mr. A invested Rs100, 000 in 9% tax -free debentures of a company. What will be his taxable interest for the previous year ending on 31-3-2023 if the rate of deduction of tax at source is @10% interest accrues on 1st January every year

CO4:K2

9. (a) What are the different penalties which can be imposed under the provisions of Income - tax Act, 1961?

CO5:K3

(Or)

(b) Discuss briefly the powers of Income tax- Officer.

CO5:K3

Part C

Answer ALL questions

(3 x 12 = 36)

10. (a) Discuss the procedure for computation of capital Gains as prescribed by the Income-Tax Act, 1961

CO3:K3

(Or)

(b) Mr. Ghosh sold a house on 01-09-2022 for Rs 16, 00,000. This house was inherited by him during 2001-02 from his father who had constructed it in 1991-92 for Rs 50000. Mr. Ghosh spent Rs 50000 on renovation of the house in 2006- 07. Fair market value of house as on 01-04-2001 was Rs 4, 40,000 This house was under negotiations for sale in May, 2010 and he received Rs.20,000 as advance money. The contract could not materialise and the advance money was forfeited. Compute the amount of capital gain assuming that does not qualify for any exemption .

CO3:K3

(C.I.I. for 2001-02: 100, 2006-07: 122, 2010-11: 167& 2022-23: 331)

11. (a) Mr. G. Bedi owns horses at Bombay and Bangalore. These horses run for races at the race course. During the year 2022- 23. Mr. Bedi submits the following information :

CO4:K4

(i) Expenses on race horses at Bombay	2,60, 000
(ii) Expenses on race horses at Bangalore	4,30, 000
(iii) stake money earned by horse at	
a) Bombay	1,20,000
b) Bangalore	5,00,000
(iv) Mr. Bedi received Rs 105000 on 1-7-2022 on betting during horse races at Bombay.	

Compute his taxable income under other sources.

(Or)

(b) The following are the particulars of income and loss of an individual under different heads of income. Set – off losses in the assessment year 2023- 24 and find out gross total income :

CO4:K4

Income from House property A	5,000
Income from House property B	(-) 8,000
Income from Interest on Securities	20,000
Income from cycle Business	(-) 20,000
Profit from Speculation Business	20,000
Loss from short- term capital asset	6,000
Long- term Capital loss	25,000
Long- term Capital Gain(Investment)	21000

12(a)The total income of an individual (45 years old) computed under the normal provisions of Income Tax Act is Rs. 10,00,000. However, the 'adjusted total Income' of the individual (computed as per Section 115 JC(2) amounted to 30,00,000. Calculate the Final Tax Liability of the Individual for Assessment year 2024-25

CO5:K4

(Or)

(b)Describe the procedure of an appeal to the Deputy commissioner (Appeals). Give various orders against which can be preferred.

CO5:K4

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