BFM DEGREE (CBCS) REGULAR EXAMINATIONS, MARCH 2024

Sixth Semester

BACHELOR OF FINANCIAL MARKETS

CORE COURSE - FM6CRT22 - INCOME TAX II

2017 Admission Onwards

4260725D

Time: 3 Hours   Max. Marks : 80

Part A

*Answer any **ten** questions.*

*Each question carries **2** marks.*

1. What is the tax treatment of long-term capital gains?

2. Discuss the tax liability of dividend?

3. Distinguish between tax-free securities and less tax securities.

4. Explain the tax rebate allowed u/s 88.

5. Mention any four functions of CBDT.

6. What is accelerate assessment?

7. What is cost of acquisition in capital gains?

8. Which are the situations in which gifts are not taxable?

9. What is a converted property?

10. What is set-off of losses in income tax? Give the order of set-off.

11. What is meant by tax management?

12. What do you understand by Advance payment of Tax?

(10×2=20)

Part B

*Answer any **six** questions.*

*Each question carries **5** marks.*

13. List the items of deductions allowable in computing income under the head 'income from other sources'.

14. What kind of transactions are exempted u/s 80 G and 80GGA of the Income Tax Act.

15. Explain the various modes of recovery of tax under Income Tax Act.

16. What is Agricultural income? What is the difference between agricultural income and partly agricultural income.

17. Define tax planning. What is the need for tax planning?

18. Mr. Y sells his only residential house in Mangalore on 24th August, 2019 for Rs.5500000 and incurs an expenditure of Rs.100000 in connection with the transfer. Cost of acquisition of the house for him in 1988 was Rs. 180000 and on 1 st April, 2001 the fair market value was Rs. 800000. On 16 th January, 2020 he deposited Rs. 2000000 in the Capital Gains Account Scheme. Compute the taxable capital gains for the Assessment Year 2020-21.

    The cost inflation idex for

    2001-02-100 and for 2019-20-289

19. The following incomes were received by Mr. Gopal during the

    Financial year 2022-23:

Director's fees	Rs. 6000
Income from Agricultural land (in Nepal)	Rs. 40000
Interest from post office SB A/C	1500
Interest on FD in SBI	1800
Winning from lottery (Net)	35000
Crossword puzzles	2500
Royalty on Books	20000

    (Expenses in this Connection Rs. 4000)

    Compute his income from other sources.

20. A firm furnished the following particulars for the Assessment

    Year 2021-22:

Loss from Business	Rs. 200000
Loss from specified Business	70000
Depreciation allowance for the current year	40000
Income from House Property (computed)	400000
Items carried forward from the earlier years:	
Business Loss Assessment Year 2018-19	240000
Depreciation Allowance (unabsorbed) for the	
Assessment Year 2019-20	100000

    Compute the firms's gross total income.

21. Raj Kumar is an employee of the Central Government. He joined on 1 st April 2021. From the following information compute his tax liability for the Assessment Year 2022-23 (Apply old tax regim)

    Salary   Rs. 500000

DA as per the terms of employment   Rs. 45000

HRA (He lives in his own house)   Rs. 140000

He and the Government contributed 10% of salary and DA to the pension fund.

He paid Rs. 10000 life insurance premium to the LIC.

(6×5=30)

Part C

*Answer any **two** questions.*

*Each question carries **15** marks.*

22. Briefly explain the types of Assessment of Income under the Income Tax Act.

23. Write a short note on:
    (a) Tax evasion and Tax avoidance.
    (b) E-filing of return.
    (c) Aggregation of income.
    (d) Deductions under chapter VI A

24. Mr. Tom has the following income for the previous year ended 31 st March 2022.
    i) Business profit   Rs. 250000
    ii) Short-term Capital Gains   Rs. 12000
    iii) Long-term Capital Gains relating to Lands Rs. 318000
    iv) Long-term Capital Gains Rs. 10000 on other assets.
    v) Compensation for loss of agency   Rs. 24000
    vi) Long-term capital loss on sale of another capital asset Rs.16000.
    Compute the total income of the individual for the Assessment Year 2022-23.

25. Mr. Gupta is a teacher. The following information's relate for the Assessment Year 2022-23:
    a) Basic salary   @ Rs. 12000 p.m
    b) D.A 45% of salary
    c) Wardenship allowance   @ Rs. 400 p.m
    d) Examinership remuneration   Rs. 3000
    e) Royalty from books for schools (computed) Rs. 22000
    f) Gross interest on Govt. securities   Rs. 5000
    g) Dividend on shares of a foreign Co.   Rs. 2500
    h) Income from house property   Rs. 160000 (computed)
    i) Contribution to the statutory P.F.   Rs. 5000
    j) Contribution to PPF   Rs. 12000
    k) Donation to an approved charitable institution Rs. 10000, by cheque.
    Compute his total income.

(2×15=30)