

M.Com DEGREE (CSS) EXAMINATION, MARCH 2025**Fourth Semester (Regular/Supplementary - 2020 Admission Onwards)****Branch: Commerce (Finance and Taxation & Marketing and International Business)****PG20CO416 - INCOME TAX-ASSESSMENT AND PROCEDURE**

Time: 3 hrs

Max. Weightage: 30

PART A**(Answer any EIGHT questions. Each question has weightage ONE.)**

1. How will you assess a partnership firm which does not comply with Section 184 of the Partnership Act 1932?
2. What do you mean by Tax Avoidance and Tax Evasion?
3. What do you mean by Double taxation relief?
4. How can a trust be created?
5. For the Assessment Year, a company has calculated its 'Book Profit' as per the provisions of Section 115JB of the Income Tax Act, 1961 at ₹ 95 lakh as against the total income of ₹ 30 lakh for the same period as per the Statement of P&L of the company. Calculate the amount of tax payable by the company.
6. In the Previous Year, a Charitable Trust derived an income of ₹ 4,00,000 from property held for a charitable purpose, including ₹25,000 by way of tax deducted from a part of such income at source. During the year, the trust spent ₹ 2,20,000 for charitable purposes, Compute the taxable income.
7. From the following information compute the interest payable by an individual U/S 234 A for the A.Y

Date of filing the return	20-01-25
Return due on	31-07-2024
Tax deducted at source	₹ 5000
Tax paid in advance	₹ 15,000
Tax paid on self -assessment at the time of filing the return	₹ 2000
Tax payable on the basis of assessed income	₹ 25,100

8. List out the transactions in which PAN is compulsory.
9. From the following information determine the amount of tax to be deducted at source, if the payee fails to furnish his PAN to the payer:
Let out his building to a company in respect of which rent is payable ₹ 3,00,000 during the financial year.
He won ₹ 1,00,000 in a lottery.
10. "Tax Planning helps to reduce tax liability of the individual" - Comment. **(8×1=8)**

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PART B

(Answer any SIX questions. Each question has weightage TWO.)

11. The total income of an AOP in which A, B and C are members, sharing profit and losses in the ratio of 1:2:2 was assessed at ₹ 16,000. In computing the total income ₹ 16,000 the Assessing Officer has made the necessary adjustments in respect of the following sums:
Salaries of ₹ 6,000 and 4,000 to A and B respectively
Interest on Capital ₹ 7,000 ₹ 10,000 ₹ 25,000 to A, B and C respectively
Commission of ₹ 1,000 ₹ 3,500, and ₹ 4,500 to A, B and C respectively
Bonus of ₹ 1,000, ₹ 1500 and ₹ 2,500 to A, B C respectively
C has borrowed capital for investment in the AOP and had paid interest ₹ 15,000 separately to the lender. Members do not have any other income.
Allocate the income amongst the members.

12. List out the important points to be kept in mind regarding the assessment of Companies.
13. A trust holding property wholly for charitable purposes in India earned ₹ 2,00,000 during 2021-22 but received only ₹ 150,000 out of such income in 2021-22. Out of ₹ 1,50,000 it set apart ₹ 30,000 to be used for charitable purposes in future and spent ₹ 1,20,000. In 2022-23 the trust received ₹ 50,000 (accrued income) and spent ₹ 30,000 in 2022-23 and ₹ 20,000 in 2023-24 for charitable purposes in India. Compute the income chargeable to tax, if any, for the Previous Years 2021-22, 2022-23 and 2023-24.

14. A Co-operative Society has the following incomes during the year:

Particulars	Amount
Income from house property	10,000
Income from book-shop	16,000
Interest on securities (Gross)	16,000
Dividend on shares of another co-operative society	26,000

Compute the total income of the society for the Assessment Year.

15. Explain the legal provisions for filing a defective return under the Income Tax Act 1961.
16. Explain the need and importance of Tax Planning.
17. Explain the provisions for refund under the income tax Act 1961.
18. X's income under the head salaries is computed at 7,29,500. The contribution in RPF and PPF are ₹ 50,000. He has paid Life insurance premium of ₹ 15,000 on a policy of ₹ 1,20,000 taken after 1.04.2012 and purchased shares of eligible issue of capital ₹ 5,000. Compute the amount tax to be deducted at source during the financial year. He has informed to the employer that there is a loss under the head Income from House Property on account interest payment in relation to self-occupied house ₹ 30,000.

(6×2=12)

PART C

(Answer any TWO questions. Each question has weightage FIVE.)

19. A firm with A, B and C as equal partners, furnished following information for the Previous Year:

Profit from business (after deducting the following amounts)	1,81,000
Salary to A	9,000
Interest paid for non-payment of GST	5,000
Interest on capital @ 12%: A 5000 B 4000 C 3000	12,000
Donation by cheque	2,000
Donation to a Research Association for scientific research (Not debited to P & L A/c)	15,000
Other incomes:	
(a) Long-term capital gains	20,000
(b) Interest on securities (gross)	29,000
(c) Income from house property (computed)	14,000
(d) Dividends (gross) from Indian Companies	10,500

Compute the taxable income of the firm and allocate it amongst the partners. The firm fulfills the conditions of Sec. 184.

20. From the following information compute the total income of the Firm and tax payable by it for the Assessment Year :

Particulars	Amount
Profit from an industrial undertaking	40,000
Profit from the business of Poultry breeding	20,000
Short-term capital gains	20,000
Long-term capital gains	40,000
Interest from bank	6,000
Loss from house property (on account of interest on loan taken to construct the property)	10,000
Donation to approved Charitable Institution by cheque	15,000

21. "Income tax authorities plays an important role for ensuring better tax management of our country"- Comment.
22. X.Co. Ltd. has provided the following information for the year ended:
1. Total income computed as per the provisions of Income Tax Act ₹ 20,00,000
 2. Profit as per P&L Account ₹50,00,000
 3. (A) Item deducted in the statement of Profit and Loss:
 - a. Provision for Income tax ₹ 6,50,000
 - b. General Reserve ₹40,000

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- c. Provision for deferred tax ₹ 60,000
 - d. Provision for gratuity for actuarial valuation ₹ 1,50,000
 - e. Dividend declared ₹ 2,50,000
 - f. Expenditure to earn agricultural income ₹ 1,00,000
 - g. Depreciation ₹ 4,50,000
- (This include depreciation of ₹ 2,00,000 on revaluation of Assets.)

(B) Items added to statement of Profit and Loss:

- a. Transfer from special reserve ₹ 2,00,000
 - b. Agricultural Income ₹ 4,00,000.
4. Brought forward business loss as per books of account ₹ 8,00,000
5. Brought forward depreciation as per books of account ₹ 7,00,000

You are required to compute:

- a. Tax Payable by the company
- b. Tax credit to be carried forward if any.

(2×5=10)

(END OF QUESTION PAPER)