

CDOE

**DIPLOMA IN TAXATION LAWS (CBCS - 2018 COURSE)**

**D.T.L. :SUMMER- 2022**

**SUBJECT : INCOME TAX ACT, 1961**

Day : Tuesday

Time : 10:00 AM-01:00 PM

Date : 21-06-2022

**S-20211-2022**

Max. Marks : 80

**N.B.:**

- 1) Attempt **ANY SIX** questions including **Q. No.1** which is **COMPULSORY**.
- 2) **Q. No.1** carries **20** marks and all other questions carry **12** marks each.

**Q.1** Write short notes on **ANY FOUR** of the following:

- a) Place of accrual of Salary Income
- b) Tea/ Coffee/ Rubber development Account
- c) Total Income
- d) Dividend
- e) Cost of Improvement
- f) Types of Return of Income

**Q.2** Mr. B is drawing a monthly basic salary of Rs. 15,000. He is given the following allowances every month in addition to the basic salary. DA Rs. 2000, Lunch Allowance Rs. 1500, Helper Allowance Rs. 1000 (wages paid to helper Rs. 1200 p.m.), Transport Allowance Rs. 1200, Children Education Allowance Rs. 250 per child for 3 children, Hostel Expenditure Allowance Rs. 350 per child for 3 Children, Conveyance Allowance Rs. 500 (Actual spent Rs. 450 p.m.), Overtime Allowance Rs. 800, Medical Allowance Rs. 1200, City Compensatory Allowance Rs. 600, House Rent Allowance Rs. 5000 (Rent paid by Mr B is Rs. 7000 p.m.) Professional Tax paid by Mr. B Rs. 2500. Compute the Taxable Salary Income of Mr. B for F.Y. 2017-2018 (AY 2018-2019).

**Q.3** Sri Harsha is the proprietor of a general store and has prepared the following Profit and Loss A/c for the year ending 31/3/2018.

Particulars	(Rs.)	Particulars	(Rs.)
To Salaries and allowances	90,000	By Gross Profit	3,89,000
To Rent and Taxes	60,000	By Bank Int.	11,000
To Printing and Stationery	20,000	By Dividends	20,000
To Depreciation	40,000	By Bad debts recovered	10,000
To Donation	30,000	By Refund of sales tax	15,000
To Legal Charges	10,000		
To General Expenses	22,000		
To Bad debts	5,000		
To R.D.D.	12,000		
To Income Tax	18,000		
To Repairs and Maintenance	10,000		
To Int. on bank loan	14,000		
To Int on Capital	16,000		
To Household expenses	14,000		
To Technical know how	15,000		
To General Reserve	25,000		
To Net Profit	34,000		
	<b>4,45,000</b>		<b>4,45,000</b>

**P.T.O.**

Other information:-

- 1) Depreciation as per Sec.32 amounts to Rs. 22,000.
  - 2) Rent Rs. 40,000 was paid to the building owned by proprietor.
  - 3) Donations are recognized u/s 80G of the IT Act.
  - 4) Legal charges are in relation to a trade dispute
  - 5) General Expenses include Rs. 10,000 not allowed u/s 37.
- Compute Income from Business for F. Y. 2017-2018 (AY 2018-2019).

**Q.4** Define settlement commission. Explain the appeal procedure to settlement commission.

**Q.5** Explain the provisions related to Tax Deducted at Source and Tax Collected at Source.

**Q.6** Explain the provisions related to Advance Tax.

**Q.7** Explain the basis of charge under section 56. "Income from other Sources". State and explain the allowable deductions under this head.

**Q.8** Discuss the provisions regarding Income Tax Authorities and discuss the powers of CBDT under Income Tax Act, 1961.

**Q.9** State the provisions regarding Clubbing of Income under Income Tax Act, 1961.

**Q.10** Define Perquisites. Describe the items taxable as Perquisites:-

- i) in case of all employees
- ii) in the case of specified employees

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