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( 6th Semester )

**COMMERCE**

Paper : BC-604

**( Income-Tax Law and Practice )**

*Full Marks : 70*

*Pass Marks : 45%*

*Time : 3 hours*

( PART : B—DESCRIPTIVE )

( Marks : 45 )

*The figures in the margin indicate full marks  
for the questions*

1. (a) What are the various incomes that are exempted from tax under the Income-tax Act, 1961? 9

*Or*

- (b) Explain the residential status of individual as per the Income-tax Act, 1961. 9

2. (a) Explain in detail the different heads of income under the Income-tax Act. 9

Or

(b) Mr. A has the following income during the Previous Year, 2020-2021 :

- (i) Basic pay—₹ 2,60,000
- (ii) Dearness allowance—₹ 40,000
- (iii) Children education allowance—₹ 6,000 (for 3 children)
- (iv) Actual rent paid for a residential house at Delhi—₹ 60,000
- (v) House rent allowance—₹ 48,000
- (vi) He has been provided with motorcar of 1.8 litre engine capacity for the official and personal use. All expenses of the motorcar are borne by the employer
- (vii) He contributes 14% of his salary to a recognized provident fund and his employer also contributes the same amount
- (viii) Interest credited to recognized provident fund @ 13% amounted ₹ 13,000
- (ix) Medical expenses paid by his employer—₹ 25,000
- (x) Mr. A paid ₹ 2,500 for his professional tax

Compute the income from salary for the Assessment Year, 2021-2022.

9

( 3 )

3. (a) Explain the provisions of tax deduction at source in regard to salary income. 9

Or

- (b) State some of the important provision of the Income-tax Act with regards to advance payment of tax. 9

4. (a) What is an Appellate Tribunal? Discuss the powers and functions of Appellate Tribunal. 2+7=9

Or

- (b) Discuss the revisionary power of commissioner of income tax as per the Income-tax Act. 9

5. (a) Explain the different income tax authorities and the powers enjoyed by them. 9

Or

- (b) Explain the structure of the Central Board of Direct Taxes. 9

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2022

( 6th Semester )

**COMMERCE**

Paper : BC-604

**( Income-Tax Law and Practice )**

( PART : A—OBJECTIVE )

( Marks : 25 )

*The figures in the margin indicate full marks for the questions*

1. Indicate whether the following statements are *True* or *False* by putting a Tick (✓) mark : 1×5=5

(a) A person may not have assessable income but may still be an assessee.

*True* ( )      *False* ( )

(b) Employees contribution qualifies for tax deduction under Section 16(ia).

*True* ( )      *False* ( )

(c) Tax deduction at source is one of the modes of collection of taxes.

*True* ( )      *False* ( )



(d) Commissioner of income tax can pass order under Section 263 within 4 years from the end of the financial year.

True ( ) False ( )

(e) The CBDT is created under the Central Boards of Revenue Act, 1963.

True ( ) False ( )

2. Choose the correct answer and place its code in the brackets provided : 1×10=10

(a) Regular assessment can be made into

(i) one type

(ii) three types

(iii) two types

(iv) six types

[ ]

(b) The commissioner of income tax is vested with which of the following powers?

(i) To impose penalty for non-payment of tax

(ii) To review the order of the assessing officer

(iii) To inspect register of companies

(iv) To grant refunds

[ ]

(c) Advance ruling has been defined in \_\_\_\_\_ of the Income-tax Act, 1961.

(i) Section 236(A)

(ii) Section 240(iA)

(iii) Section 245 N(a)

(iv) Section 260

[ ]

(d) Orders of Appellate Tribunal come under which Section?

(i) Section 254

(ii) Section 160

(iii) Section 260

(iv) Section 230

[ ]

(e) Every deductor is required to obtain a/an

(i) Aadhaar Number

(ii) VAT Number

(iii) Unique Identification Number

(iv) Personal Information Number

[ ]

(f) Deduction under Section 80G donation to National Funds is

(i) fully taxable

(ii) partly taxable

(iii) 50% taxable

(iv) fully exempted

[ ]

(g) Which of the following incomes from house property is exempted from tax?

- (i) Charitable purpose
- (ii) Business or profession
- (iii) Lease out property
- (iv) Commercial purpose [            ]

(h) Taxable income under the head salaries is computed after making the deduction under

- (i) Section 13
- (ii) Section 14
- (iii) Section 15
- (iv) Section 16 [            ]

(i) Assessment year is the period of 12 months commencing from 1st day of \_\_\_\_\_ to 31st day of \_\_\_\_\_.

- (i) January, December
- (ii) April, March
- (iii) July, June
- (iv) August, September [            ]

(j) Residential status is to be determined for

- (i) previous year
- (ii) accounting year
- (iii) assessment year
- (iv) financial year [            ]

( 5 )

3. Write short notes on the following :  $2 \times 5 = 10$

(a) Gross Total Income



(b) Assessment Year

(c) Agricultural Income

Advance Tax (b)

(d) Advance Tax

(c) Agricultural Income

( 9 )

(e) Income Tax Officer

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