

Roll No.....

Sr. No. of Question Paper :
Unique Paper Code : 52414304_OC
Name of the Paper : Income Tax Law and Practice
Name of the Course : B.Com. (P) – CBCS
Semester : Semester III
Duration : 3 hours
Maximum Marks : 55 Marks

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Instructions for candidates:

1. Attempt any four questions out of six questions.
2. All questions carry equal marks.
3. Answers may be written either in English or in Hindi; but the same medium should be used throughout the paper.
4. Answers must be given as per the provisions of the Income-tax Act, 1961.

1. Mr. Rahul (55 years old, resident individual) is working as Deputy Manager with Bajaj Pvt. Ltd. in Delhi. Compute his tax liability for the assessment year 2021-22 assuming he has not opted for optional taxation scheme under section 115BAC. He furnishes the following information for the previous year 2020-21:

S. No.	Particulars	Amount (Rs.)
1	Basic Salary	60,000 p.m.
2	Dearness Allowance (40% forming part of salary)	20,000 p.m.
3	Commission	32,000
4	House Rent Allowance (He pays Rs. 15,000 p.m. as rent for a house in Delhi)	50,000 p.m.
5	Telephone facility at his home, expenses incurred by employer company	1,000 p.m.
6	Free use of a 1,000cc car with driver for personal use and official use	
7	Free service of personal attendant	1,000 p.m.
8	Employer's contribution towards New Pension Scheme to which he made a matching contribution	11% of Salary
9	Medical Allowance (Actual expenditure of the employee: Rs. 20,000)	25,000
10	Conveyance allowance for personal purpose	10,000 p.m.
11	On August 10, 2020, the employer transfers a car to him on his completing 15 years of service for Rs. 2,50,000 (the cost of car purchased on August 20, 2018 was Rs. 5,00,000). This car was not used by Mr. Rahul.	

During the previous year 2020-21, he has made the following investments/ deposits/ payments:

- a) Life insurance premium (policy taken in 2019) on his own life (Sum assured: Rs. 50,000): Rs. 6,500.
- b) He paid Rs. 1,000 by cheque as premium for health insurance of his wife.
- c) Contribution to ULIP: Rs. 2,500.
- d) Contribution to Sukanya Samriddhi Account: Rs. 20,000.

2. Mr. Mohan (a resident individual, age 57 years) owns three houses, particulars of which are as follows:

Particulars	House 1 (Rs.)	House 2 (Rs.)	House 3 (Rs.)
Municipal value	4,00,000	3,50,000	5,00,000
Standard rent	3,24,000	2,50,000	6,00,000
Fair rent	3,80,000	2,90,000	5,60,000
Municipal taxed paid by Mr. Mohan	50,000	60,000	66,000
Fire insurance premium	20,000	19,000	22,000
Repairs	20,000	8,000	20,000

A loan of Rs. 8,00,000 was taken from life insurance corporation on 1 April 2016 @ 9% p.a. for the construction of House 2. The date of repayment of loan is 31 December 2019 and date of completion of construction is 1 August 2019. His income from other sources is Rs. 3,00,000.

Determine the total income of Mr. Mohan for the assessment year 2021-22 assuming he has occupied the house for own residential purposes and these houses were not put to any other use. Further, assume that he has not opted for optional taxation scheme under section 115BAC.

3. During the previous year 2020-21, Mr. Shyam transfers the following assets:
- He transfers a residential house property situated in Haryana on 30 November 2020 for Rs. 20,00,000 (expenses on transfer: Rs. 20,000). This house property was purchased by him on 1 January 1995 for Rs. 2,00,000. The fair market value of the property on 1 April 2001 was Rs. 3,00,000. He invested Rs. 5,00,000 in purchasing a new residential house property in Kerala on 1 March 2021.
 - On 1 July 2020, he transfers a personal painting for Rs. 2,00,000 (purchased by him on 1 October 2015 for Rs. 30,000).
 - On 31 December 2020, he transfers a personal computer for Rs. 40,000 (purchased by him on 1 January 2012 for Rs. 1,00,000).

Cost inflation index for different years is as follows:

Financial year	Cost inflation Index
2001-02	100
2011-12	184
2015-16	254
2020-21	301

Compute his total income for the assessment year 2021-22 assuming he has opted for optional taxation scheme under section 115BAC and he has deposited Rs. 6,000 in his PPF account on 15 February 2021.

4. Mr. Puneet earns the following income during the financial year 2020-21:
- Income from salary received in India from X Ltd.: Rs. 1,00,000.
 - Profits earned in Japan during the previous year 2019-20 were brought to India: Rs. 5,000.
 - Dividend from an Indian company received in Japan: Rs. 15,000.
 - Income from agricultural land in Nepal received there: Rs. 50,000.
 - Income from business in Paris, which is controlled from India (50% of the profits were received there): Rs. 2,00,000.
 - Interest paid by an Indian company but received in London: Rs. 20,000.
 - Pension from former employer in India received in London: Rs. 9,000.
 - Past untaxed foreign income brought to India: Rs. 50,000.
 - Income from property in England and received there: Rs. 10,000.

Compute his total income for the assessment year 2021-22, if he is (a) Resident and ordinary resident in India; (b) Not ordinarily resident in India; or (c) Non-resident.

5. Explain the deduction in respect of interest on deposits in case of senior citizens under section 80TTB, in respect of rent paid under section 80GG and in respect of medical insurance under section 80D with the help of a simple example for each of the above deduction.

6. Who has to furnish return of income under section 139(1) and when to furnish a return is compulsorily?

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