

Roll No.

Total Pages : 7

BCQ/M-20

12397

INCOME TAX –II

Paper–BBI-1

Time Allowed : 3 Hours]

[Maximum Marks : 80

Note : Attempt five questions in all. Question No. 1 is compulsory.

UNIT-I (

Compulsory Question

1. Explain the following in brief :

5×4=20

(a) Deduction u/s 80 D.

(b) Two Schools of HUF according to Hindu Law.

(c) Permanent Account Number.

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(d) Voluntary Return of Income.

(e) Modes of Recovery of Tax.

2. What do mean by Clubbing of Incomes? In what circumstances is the income of one person is treated as the income of another? 15
3. What are the provisions of Income Tax Act regarding the set-off and carry-forward of losses? 15
4. What are the various authorities envisaged in the Indian Income Tax Law? Explain the powers of Central Board of Direct Taxes. 15
5. What is the meaning of Assessment procedure? Explain briefly the different types of assessment. 15

6. What is the procedure for filling an appeal to the Appellate Tribunal against the order of a Commissioner(Appeals)? 15
7. What is meant by 'Advance Payment of Tax'? Explain provisions of the Income Tax Act in this respect. 15
8. Shri R.K. Sharma, working in Eastern India Limited, Delhi has furnished the following details of his income for year ended March 31, 2017 : 15
- (i) Basic Salary ₹ 24,000 per month.
- (ii) Bonus equals to six months salary.
- (iii) Entertainment Allowance at ₹ 1,000 per month.

- (iv) Received house rent allowance of ₹ 6,000 per month from his employer, but he paid a rent of ₹ 8,000 per month.
- (v) His contribution to Recognised Provident Fund is ₹ 36,000 and the employer contributes an equal amount.
- (vi) Interest on Government Securities received ₹ 6,000.
- (vii) Interest of Post Office Saving Bank was ₹ 13,000.
- (viii) Donation paid to Jawahar Lal Memorial Fund ₹ 5,000.
- (ix) Donation paid to Haryana Government for the promotion of family planning ₹ 4,000.

- (x) Life Insurance Premium paid during the year
` 8,400.

Calculate the total income of Shri R.K. Sharma
for the Assessment Year 2018-19.

9. A, B and C are partners in a firm (which fulfils the conditions of Sec. 184) sharing Profits and Losses in the proportion of 3 : 2 : 1 respectively. The firm's Profit and Loss Account for the year ended 31st March, 2017 showed net profit of ` 2,44,000 after debiting inter alia the following amounts : 15

- (i) Salary of ` 4,000 per p.m. paid to C.
- (ii) Rent of ` 19,000 paid to A for the portion of the building owned by A in which the firm's office was situated. Fair rental value of the building is ` 10,000.

- (iii) Interest on capital of ₹ 1,000, ₹ 2,000 and ₹ 3,000 paid to A, B and C respectively.
- (iv) Commission paid to B ₹ 40,000.
- (v) Expense on current repairs of the business premises belonging to partner A, ₹ 1,000.
- (vi) Donation to approved bodies ₹ 5,000 by cheque.
- (vii) Salary to B's son ₹ 72,000. B's son is a qualified management graduate and was serving another concern on ₹ 5,800 p.m.

The net profit of ₹ 2,44,000 included ₹ 12,000 from interest on Government Securities. Compute total income of the firm for the Assessment Year 2018-19 assuming that it is a professional firm.

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