

**KALYANI MAHAVIDYALAYA**  
**B.COM. (HONS.) PART – II TEST EXAMINATION, 2016**  
**PAPER: III; SUB.: TAX PROCEDURE & PRACTICE**

**Time – 2 hours**

**Full Marks -50**

**1. Answer any four questions.**

**4x1=4**

- (a) Define assessment year.
- (b) Give two examples of tax free income.
- (c) Define short-term capital asset.
- (d) What is the full form of VAT?
- (e) Who is a 'dealer' as per Central Sales Tax Act, 1956?
- (f) What is the condition of getting deduction u/s 87A?

**2. Answer any five questions.**

**5x2=10**

- (a) How assesses are classified according to the residential status? ( )
- (b) If taxable income of an individual assessee for the A.Y.2015-'16 is Rs. 4,80,000, what amount of tax will be paid by him?
- (c) What are the different heads of income?
- (d) Give two examples of taxable perquisite.
- (e) What do you mean TDS?
- (f) What is the limit of deduction as per section 80D?

**3. Answer any three questions.**

**3x12=36**

- a. (i) "Income tax is one tax" – discuss.
- (ii) Distinguish between tax planning and tax evasion. **4+8=12**
- b. X a registered dealer, makes the following sales during the month of April, 2015:

	<b>Sales (Rs.)</b>	<b>VAT Charged</b>	<b>Separately</b>
Sch. A goods	120000	Nil	
Sch. C goods	250000	10000	
Sch.CA goods	70000	9450	

Other information:

- i) Return of Sch. C goods within 6 months of sales Rs. 52000 (Inclusive of VAT),
- ii) Delivery charges Rs. 1500, Rs. 2700 and Rs. 800 respectively.

Determine: Output VAT.

- c. Mr. Anadi Biswas is the owner of two houses at Kalyani, the particulars of which are given below :

The annual value of the first house according to municipal records is Rs.96,000, but it has been let out at Rs.7,000 per month and the tenant has undertaken to bear the cost of repairs. Municipal taxes paid amounted to Rs.1,800. He got this house as a gift from a widow on the condition that she will be paid Rs.600 p.m. for her maintenance.

The construction of the second house was completed on 1<sup>st</sup> May, 1999. It has been let at Rs.1500 p.m. In 2000, it was mortgaged with a merchant for Rs. 30000 at 15% p.a. interest for financing his daughters marriage. Deduction for the following expenses incurred in respect of this house have been claimed by him :

Rs.1200 for collecting rent.

Rs.2000 for municipal taxes

Rs.13500 for interest paid by him on the mortgage.

Compute income from house properties of Mr. Ananda Biswas for the assessment year 2015-'16.

- d. Define 'capital assets' . Discuss the procedure for computation of income chargeable under the head 'Capital Gain'. 3+9=12

- e. Mr. Roy Chowdhury (aged 49 years) is employed in a Central Government concern . He furnishes the following particulars for the financial year 2014-'15 :

- (i) Basic salary Rs.18,500 p.m.
- (ii) Dearness Allowance (forming part of salary) Rs. 6,500 p.m.
- (iii) Medical Allowance Rs.1,200 p.m.
- (iv) He contributes 10% of his salary to notified pension scheme. The Government makes a matching contribution to such scheme.
- (v) He contributes 10% of his salary to statutory provident fund where the employer also contributes an equal amount.

- (vi) He pays medical insurance premium of Rs.6,500 to GIC of India by cheque.
  - (vii) During the year he earns bank interest on savings account deposit amounting to Rs. 15,200.
  - (viii) He invests Rs. 5,000 in NSC and deposited Rs. 5,000 in his PPE account.
- Compute his taxable income and tax liability for the assessment year 2015-'16.
-