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6 SEM TDC DTAX (Sp) 1

2021

(August/September)

COMMERCE

(Speciality)

Course : 601

(Direct Tax-II)

Full Marks : 40

Pass Marks : 12

Time : 2/1½ hours

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

Answer **any four** questions : 10×4=40

1. Write down briefly the basic principles to be followed in arriving at business income.

10

Contd.

2. Explain the concept of Transfer under the head 'Capital Gains'. Mention the transactions which are not regarded as transfer. 4+6=10

3. Discuss in detail the procedures as per Income Tax Act, 1961 regarding set-off of losses within the head and outside the head. 10

4. Mr. Utpal Kakoty submits his Profit and Loss Account for the financial year ending on 31st March, 2020. 10

Particulars	Amount	Particulars	Amount
To Rent Rates & Taxes	99,000	By Gross Profit	5,00,000
To Depreciations on Machinery	20,000	By Income from other sources	3,20,000
Furniture	6,000		
To Purchase of Car	1,20,000	By Income from Capital gain	1,80,000
To Car Expenses	7,000		
To Advertisement	55,000	By Other Income	2,85,000
To Net Profit	9,78,000		
	12,85,000		12,85,000
	12,85,000		12,85,000

Additional Information :

- (i) Depreciation on Machinery as per Income Tax Act, is ₹ 10,000.
- (ii) 50% of Motor Car expenses relate to personal use.
- (iii) Advertisement expenses is paid in cash.
- (iv) Other Income is approved by assessing officer as business income.

You are required to calculate the taxable business income for the assessment year 2020-21.

5. Write short notes on : **(any two)**

5×2=10

- (i) Corporate Assessee
- (ii) Distinction between long-term and short-term capital gains
- (iii) Tax-Evasion.

6. Mr. Rakesh sells the following capital assets during the previous year 2019-20.

	Sales Proceeds	Cost of Acquisition	Year of Acquisition	For Market Value as on 01-04-2001
	(₹)	(₹)		(₹)
Land	4,00,00,000	18,50,000	1977	1,19,00,000
Gold	24,86,000	2,40,000	1980	10,26,000
Listed Debentures	2,57,000	1,75,000	1975	1,62,000

Assume that his business income is ₹ 1,46,000, determine his net income for the assessment year 2020-2021 considering CII of 2001-2002 and 2019-20 at 100 and 289 respectively. 10

7. “Tax Evasion is a crime but tax avoidance is not”. Explain the above statement. 10