

Compute the income from business of the firm for the assessment year 2008-2009. The firm has submitted its certified copy of instrument of partnership along with the return and it provides for payment of salary, commission to working partners x, y and z as per the deed.

Register Number :

Name of the Candidate :

**5 1 5 8**

**B.Com. DEGREE EXAMINATION, 2008**

( THIRD YEAR )

( PART - IV )

( PAPER - VIII )

**363. INCOME - TAX LAW AND PRACTICE - II**

( *Optional - II* )

( *Including Lateral Entry* )

December ]

[ Time : 3 Hours

Maximum : 100 Marks

*Answer any FIVE questions.*

*All questions carry equal marks.*

( 5 × 20 = 100 )

1. What is meant by CBDT ? Explain its powers.
2. Explain the procedure for assessment of individuals.

**Turn over**

3. Explain the provisions regarding deduction for savings U/S 80 C.
4. What is meant by inter source adjustments ? Under what circumstances losses are allowed to be set - off ?
5. Explain the procedure for ascertaining long term capital gain and short term capital gain
6. Miss. Zenath owns a residential house which was purchased by her in 1975 for Rs. 60,000. The FMV of the house as on 01-04-1981 was Rs. 1,70,000. This house is sold by her on 16-07-2007 for a consideration of Rs.13,00,000. the brokerage and other expenses on transfer were Rs.12,000. The due date of furnishing the return of income is 31-07-2008. Compute the capital gain for the assessment year 2008-2009 if she invests Rs.3,00,000 for the purchase of a new house on 14-05-2008.

He has a son being with disability dependant on him, for whom he incurs expenses for his medical treatment and rehabilitation. He also, deposits sum of Rs. 25,000 for the benefit of his son under a scheme framed by the UTI for such a purpose. Calculate the amount of deduction U/S 80 DD and Net Income.

10. The profit and loss account of a firm in which partners X, Y and Z share profits and losses in the ratio of 5: 4 :1 respectively discloses profit of Rs. 80,625 for the accounting year ending 31-03-2008.

Particulars	Rs.	Particulars	Rs.
Donation to NDF	11,000	Capital gain on sale of Machinery	5,000
Salary to Partners		Interest on debentures	20,000
X	15,000	Interest on securities( gross )	3,500
Y	19,000		
Z	22,000		
Commission to x	6,000		
Office rent ( Paid to y )	12,000		

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9. Mr. F. submits the following information regarding his income for the previous year 2007-2008.

	Rs.
(i) Salary ( per month )	- 12,500
(ii) Rent received from property in Delhi ( per month )	- 4,000
(iii) Winning from lottery (gross)	- 15,000

He makes the following deposits/ payments during the year.

	Rs.
(i) Contribution towards P.P.F	- 10,000
(ii) Premium paid in cash on Medicalaim policy for his dependant father	- 8,000

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7. Miss. Femina a college lecturer furnishes the following income details :

	Rs.
Salary @	- 3,500 p.m.
Warden allowance	- 200 p.m.
Examinership remuneration from university	- 5,400
Royalty from books and articles	- 18,000
Winning from card games in club	- 6,400
Winning from State lotteries	- 30,000
Expenditure in purchase of lottery tickets	- 15,000

Compute her gross total income for the current assessment year.

**Turn over**

8. Mr. Balu submits the following information of his incomes and losses for the assessment year 2008-2009.

	Rs.
(i) Income from house property (Computed)	- 7,000
(ii) Income from interest from a firm	- 1,500
(iii) Profit from cloth business (before Depreciation)	- 40,000
(iv) Income from speculation business	- 3,200
(v) Long term capital gain (from sale of shares)	- 9,100
(vi) Dividend from UTI (units are held as stock in trade) (gross)	- 2,000
(vii) Current year's depreciation	- 2,000

The following items have been brought forward from preceeding year.

	Rs.
(i) Loss from cloth business	- 10,000
(ii) Unabsorbed depreciation	- 7,500
(iii) Loss from speculation	- 7,000
(iv) Short term capital loss	- 4,200
(v) Long term capital loss	- 11,400

you are required to compute his gross total income and deal with the carry forward of losses.

**Turn over**