

TKN/KS/16-7281

**Tenth Semester B. A. LL. B Five Years
Course (Credit Based System) Examination**

Course Code 10.3

LAW OF TAXATION**Paper – III**

Time : Three Hours]

[Max. Marks : 80

- N. B. : (1) All sections are compulsory. Section A consists 10 marks, section B consists of 30 marks and section C consists of 40 marks.
(2) Follow the instructions given in each section.
(3) Marks are indicated against each questions.

SECTION A1. Choose the correct alternative (any **Ten**) :—

(i) There are heads/sources of income

- (a) 3 (b) 4
(c) 5 (d) 6

(ii) In house property income standard deduction for repairing is

- (a) 20% (b) 25%
(c) 30% (d) $33\frac{1}{3}\%$

(iii) Business loss is carried forward for

- (a) 3 years (b) 4 years
(c) 8 years (d) 7 years

- (iv) Permissible deduction u/s 80 U for disabled person
(a) 50,000 (b) 75,000
(c) no limit (d) Fixed percentage
- (v) Minimum Alternate Tax (MAT) is applicable to
(a) Salary (b) Company
(c) Business (d) Profession
- (vi) Estimated income scheme for Truck owner's, for income having.
(a) 15 Trucks (b) 12 Trucks
(c) Below 10 Trucks (d) None of the above
- (vii) Cash gift is taxable to non relative if
(a) Amount Rs. 30,000 (b) Amount above Rs. 50,000
(c) None of the above (d) between Rs.30,000 to Rs.50,000
- (viii) When property is purchased and sold during the year, depreciation allowed is
(a) 100% (b) 50%
(c) 80% (d) NIL
- (ix) First Appeal under income tax Act lies before.
(a) Commissioner of Income tax (Appeal)
(b) Income tax Appellate Tribunal
(c) Settlement commission
(d) High court.

- (x) Survey u/s 133A is conducted in
- Business Premises.
 - Marriage or any other functions.
 - Residential Premises.
 - None of the above.
- (xi) In wealth Tax, valuation date is
- 1st July
 - 31st December
 - 31st March
 - 1st April
- (xii) Wealth Tax is payable
- Every year
 - Alternative year
 - Upto 5 years
 - up to 3 years
- (xiii) Farm house in wealth tax is not taxable if it is situated within
- 8 Kms
 - 20 kms
 - above 25 kms. away from municipal limits.
 - above 30 kms. away from municipal limits.
- (xiv) Value added tax is firstly introduced in the year
- 1998
 - 2000
 - 2005
 - 2004
- (xv) Recognised Heirloom Jewellery means
- Ancestral
 - Personal
 - Ex-Ruler
 - Stock-in-trade jewellery

SECTION B

(Short Answer Questions)

2. Answer the following (any **Three**) :—
- Depreciation and un-absorbed depreciation.
 - Cost Inflation index in Capital Gains.
 - Non-capital assets.
 - Annual Letting Value (ALV) 5×3=15
3. Write short notes on (any **Three**) :—
- Short term and Long term Capital Gains.
 - Property held under a Trust except (WT)
 - Dealer in VAT
 - Set off under the VAT system. 5×3=15

SECTION C

(Long Answer Questions)

4. Answer the following (Any **Five**) :—
- Define salary and allowances and explain any Four taxable perquisites.
 - Shri Ramesh has given following details of his salary earned during F.Y. 2014-15.
 - Basic pay @ Rs.20000/- P.M.
 - Dearness Allowance Rs.10,000 PM.

- (iii) House Rent allowance Rs. 5000 PM.
He is paying rent of Rs.8000 pm at Nagpur.
- (iv) He has invested an amount Rs.1,50,000/-
in LIC, Rs.50,000/- in Providend Fund.
- (v) His age is below 60 years. Compute his
income from Salary. 4

5. Explain the term 'Transfer' under the head Capital Gains and kinds of Capital gains. When is exemption for residential house allowed ?
6. What are the "Clubbing Provisions". u/s 64 of the IT Act 1961 ? How it affects the total income of the assessee ?
7. Explain in detail the 'Assessment' procedure after filing first Income tax return.
8. Which assets are included and which assets are not included in the computation of wealth ?
9. Explain the procedure of filing of 1st Appeal before the commissioner of wealth tax and its limitations.
10. Explain the important features of demerits/merits under VAT system.
11. Define :—
 - (a) Manufacture.
 - (b) Goods. 8x5=40