

Roll No.	
Name.	

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

End Sem Examination, December 2020

Course: Income Tax Laws and Practice

Programme: B.Com (Hons)

Time: 03 hrs.

Semester: III

Course Code : FINC 2018

Max. Marks: 100

Section A (Each Question is of 5 marks)

S. No.	Select the correct answer in each of the following questions.	CO
1	An individual received Rs.10,000 each from his seven friends on the occasion of his marriage. The amount taxable in this case is Rs. a. 70,000 b. 50,000 c. 20,000 d. None of these.	2
2	Firoz started a business of ready mate garments on 23/03/2019. The previous year in this case for assessment year 2019-2020 is a. 01.04.2019 -31.03.2020 b. 23.03.2019 - 31.03.2020 c. 23.03.2019- 23.03.2020 d. None of these	1
3	The standard deduction of % is allowed while calculating income from house property. a. 40 b. 30 c. 20 d. 10	2
4	An individual can close his books of accounts on a. 31 st March every year. b. 31 st December every year c. Any date d. Any of the above	1
5	The deduction on account of family pension is allowed upto a. Rs.15,000 b. 1/3 rd of pension c. Lower of the above d. None of these.	3
6	An individual can keep his books of accounts on a. Accrual basis b. Cash basis c. Mixture of above two d. Either a or b	2
Section B (Each question carries 10 marks)		
7	Ramesh came to India for the first time on 01.04.2019. He claimed that he is not a resident of India for the assessment year 2020-21 since he came to India in the last year only. Is his claim justified. What are the conditions to be fulfilled by an individual in order to become a resident and ordinary resident of India. Explain.	1

8	Haider purchased a land on 1/04/2014 for Rs.23,00,000 and spend Rs.3,40,000 on its construction in the financial year 2016-17. The house was sold for Rs.35,00,000 on 23/09/2018. Calculate the capital gain taxable in the assessment year 2019-20. Cost inflation index for Financial year 2014-15 is 240 and for Financial year 2016-17 is 264 and for Financial year 2018-19 is 280.	1
9	X took a loan of Rs.2,30,000 on 1.04.2012 for construction of house property. The construction was completed on 15/07/2014. The rate of interest chargeable on loan is 12%. Calculate the interest allowable as a deduction for assessment year 2017-18, 2018-19 and 2019-20.	2
10	Explain the deductions allowed while calculating income from house property.	1
11	What are the circumstances in which gift of money is not treated as income of an assessee. Explain.	3
Section C (20 Marks)		
12	Wadhwa has earned a total income of Rs.28,00,000 from all sources and since his income is more than Rs.10,00,000, the assessing officer sends a notice requiring him to pay income tax of Rs.8,40,000 (30% of 28,00,000) as it is more than 10,00,000 and falls in 30% bracket. Is the demand of assessing officer correct. Give your opinion and determine the total amount of income tax payable by him.	3