



WEST BENGAL STATE UNIVERSITY
B.Com. Programme 4th Semester Examination, 2020

FACGCOR07T-B.COM. (DSC7)

DIRECT AND INDIRECT TAXATION

Time Allotted: 2 Hours

Full Marks: 50

*The figures in the margin indicate full marks.
Candidates should answer in their own words and adhere to the word limit as practicable.
All symbols are of usual significance.*

GROUP-A

Answer any two questions from the following

10×2 = 20

1. (a) (i) Define the term 'Person' as per the Income Tax Act, 1961. 2+1+2

(ii) State the status of West Bengal State University under the Income Tax Act, 1961.

(iii) State under which head the following incomes are to be assessed:

-Pension received by a retired person.

-Income received from sale of house property.

(b) Mr. Z, a foreign citizen, came to India for the first time on 10th August, 2014 and 5

stayed up to 5th March, 2015. Subsequently he stayed in India during 2015-16, 2016-17, 2017-18, 2018-19 and 2019-20 for 120 days, 110 days, 100 days, 85 days and 62 days, respectively.

Determine Mr. Z's residential status for the assessment year 2020-21.

2. (a) Mr. Y has the following particulars of his income for the assessment year 2020-21: 5+5

-Income from Business I Rs. 60,000

-Loss from Business II Rs. 1,90,000

-Income from Others Sources Rs. 30,000

-Short-term Capital Loss Rs. 30,000

-Long-term Capital Gain Rs. 1,60,000

-Income from House Property Rs. 50,000

Compute Mr. Y's Gross Total Income.

(b) State at least five incomes which are fully exempt from tax.

3. (a) Mr. X furnished the following information relating to the financial year 2019-20: 6+4
- Director's Fees Rs. 22,000
 - Interest on Post Office Savings Bank Account Rs. 12,000
 - Rent Received from Subletting Rs. 33,250 (Rent payable by Mr. X is Rs. 19,000 and other incidental Expenses amount to Rs. 8,000)
 - Dividend Received from a Foreign Company Rs. 2,500
 - Dividend Received from an Indian Company Rs. 5,000

Compute Income from other Sources of Mr. X for the assessment year 2020-21.

- (b) What is 'Best Judgement Assessment'?

GROUP-B

Answer any two questions from the following

15×2=30

4. Mr. J is employed with ABC Ltd. He provides the following information relating to the previous year 2019-20: 12+3
- Basic salary Rs. 32,000 per month
 - Dearness allowance @ 20% of basic
 - Medical allowance Rs. 1,500 per month
 - Entertainment allowance Rs. 500 per month
 - Employer's contribution to recognized provident fund during the year Rs. 32,000 (Employee has also contributed an equal amount to the fund)
 - Interest credited to recognized provident fund @ 12% per year Rs. 10,800
 - Facility of motor car (less than 1,600 cc) with driver (entire expenses borne by employer)
 - Children education allowance Rs. 500 per month for two children
 - Facility of rent-free furnished house in Kolkata for which employer pays a rent of Rs. 6,000 per month; cost of furniture Rs. 50,000
 - Free services of watchman Rs. 600 per month
 - Professional tax paid by Mr. J during the year Rs. 2,640
 - Life insurance premium paid on own life Rs. 10,000
 - Repayment of principal amount of house building loan Rs. 15,000
 - Health insurance premium paid on own health Rs. 6,000

Compute total income of Mr. J for the assessment year 2020-21. Also, determine his tax liability for the assessment year 2020-21.

5. Mr. K, owner of three houses in Kolkata, furnishes the following information relating to previous year 2019-20:

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	House- 1	House- 2	House- 3
	Let-out	Self-occupied	Self-occupied
Standard Rent (Rs.)	38,400	60,000	---
Net Municipal Value (Rs.)	36,000	63,000	54,000
Fair Rent(Rs.)	45,000	66,000	50,000
Rent Received (Rs.)	40,000	---	---
Repairs (Rs.)	Nil	5,000	2,000
Municipal Tax @ 10%	20% Paid	Fully Paid	Fully Paid
Interest on Loan taken for repairing of the house (Rs.)	3,000	6,000	9,000
Vacancy Period	2 Month	---	---
Recovery of Unrealized Rent (Rs.) (previously allowed in 2000-2001)	9,000	---	---
Collection Charges (Rs.)	5,000	8	8

Compute income from house property of Mr. K for the assessment year 2020-21.

- 6.(a) Mr. G furnishes the following particulars for the previous year 2019-20:

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Mr. G sold his residential house on 15.12.2019 for Rs. 7, 73,500. The house was purchased by him on 02.03.1998 at a cost of Rs. 75,000 (fair market value of the house on 01.04.2001 was Rs. 1, 50,000). He also sold some shares of ABC Ltd. on 12.02.2020 for Rs. 18,800. These shares were purchased by him on 21.03.2019 for Rs. 15,300.

Compute income from capital gain of Mr. G for the assessment year 2020-21.

- (b) Find out business income of Mr. L on the basis of following particulars:

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Amount debited to Profit and Loss A/C: Interest– Rs.1,800; Repairs– Rs. 2,200; Insurance– Rs. 4,200; Depreciation– Rs. 5,600; Compensation– Rs. 10,200; Law Charges– Rs. 5,100; Labor Welfare Expenses– Rs. 3,800; Subscriptions– Rs. 5,800
Net Profit: Rs. 1, 30,000

Amount credited to Profit and Loss A/C: Gross Profit– Rs. 1,22,700; Rent from House Property– Rs. 46,000

Additional Information:

- Subscriptions included Rs. 2,000 paid to political parties for election purposes.
- Compensation was paid to an employee whose dismissal was in the interest of the business.
- Depreciation as per Income Tax rule is Rs. 4,600.

7. What is Goods and Services Tax (GST)? What are the major benefits of GST? State some of the taxes that have been subsumed in GST.

3+7+5

OR

What is the meaning of the term registration under the Goods and Services Tax (GST) Act? What are the benefits of registration under GST? State the persons who are exempt from registration under the Central CGST Act.

N.B. : Students have to complete submission of their Answer Scripts through E-mail / Whatsapp to their own respective colleges on the same day / date of examination within 1 hour after end of exam. University / College authorities will not be held responsible for wrong submission (at in proper address). Students are strongly advised not to submit multiple copies of the same answer script.

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