



WEST BENGAL STATE UNIVERSITY
B.Com. Programme 4th Semester Supplementary Examination, 2021

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 'Assessee, Assessment Year and Previous Year' as per the Income Tax Act, 1961. 3+2
- (ii) State under which head the following incomes are to be assessed:
- (I) Rent received from tenant.
- (II) Prize money earned from lottery.
- (b) Determine Mr. C's residential status for the assessment year 2021-2022. 5
- Mr. C, a foreign citizen, came to India for the first time on 10th August, 2015 and stayed up to 5th March, 2016. Subsequently he stayed in India during 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21 for 120 days, 110 days, 100 days, 85 days and 62 days, respectively.
2. (a) State at least five incomes which are fully exempt from tax. 5
- (b) Identify the heads of income: 5
- (i) Pradip received interest on fixed deposit with SBI.
- (ii) Remuneration received by a partner.
- (iii) Wages received by an employee from his employer.
- (iv) Earned income by selling of shares.
- (v) Rent received by letting out of premises.
3. (a) X has the following incomes and losses for the year 2020-2021 : 6

Income from business A	1, 80,000
Loss from business B	62,500
Income from House I	84,200
Loss from House II	- 25,000
Long-term capital gain	32,000
Short-term capital loss	-16,000

Compute gross total income of X.

(b) Answer the following questions:

2+2

- (i) Explain Perquisites with example.
- (ii) What do you mean by Advance tax? Also state the due dates for advance payment of tax.

GROUP-B

Answer any two questions from the following

15×2=30

4. Mr. S is employed with Zenith Ltd. He provides the following information relating to the previous year 2020-2021: 12+3
- Basic salary Rs. 60,000 per month
 - DA 30% of basic
 - House rent allowance 10% of the basic
 - He and his employer each contributed @ 16 % of salary to recognized provident fund (RPF)
 - Interest credited to his fund @ 10% is Rs 11,000 during the year.
 - He used car (1.8 liters) for official use. All expenses are met by employer.
 - He took a new life insurance policy of LIC during the year and premium was paid by his employer amounted to Rs 40,000.
 - Professional tax was paid by his employer Rs 2,400.
 - Free services of watchman Rs 600 per month.
 - Children education allowance Rs 500 per month for two children
 - Compute total income of Mr. S for the assessment year 2021-2022. Also, determine his tax liability.

5. P. Sarkar is the owner of two houses. From the following particulars relating to these houses for the previous year 2019-2020, compute Income from House Property for the relevant assessment year. 15

	House- 1	House- 2
Construction Completed on	31.03.2001	31.03.2013
Used for	Let out	Own Residence for 8 Months and Let out for 4 months
Municipal value (municipal tax is assessed @10%- 50% Of such tax of house 1 is paid by tenant)	1, 44,000	96,000
Rent received	1, 50,000	28,000
Fair rent	1, 56,000	90,000
Interest on Loan	27,800	15,700
Vacancy Period	2 months	-

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

6. (a) From the following Profit and Loss Account and additional information furnished by X, compute his income from business for the relevant assessment year. 8

Profit and Loss Account for the year ended 31st March, 2021

	Rs.		Rs.
To, Salaries	10,25,000	By, Gross profit	25,31,300
„ Rent	2,40,000	„ Discount	37,200
„ Insurance	25,700	„ Bank interest	43,700
„ Repairs	72,300	„ Dividend	65,200
„ Discount	18,200		
„ Bad debt	37,600		
„ Reserve for bad debt	25,700		
„ Income tax	63,500		
„ Depreciation	72,800		
„ Interest on loan	57,800		
„ Interest on capital	1,20,000		
„ Net profit	9,18,800		
	26,77,400		26,77,400

Additional Information:

- (i) Depreciation as per I.T Rules amounts to Rs 82,300.
(ii) Insurance includes Rs 12,500 being the life insurance premium paid on the life of X.
- (b) K. Mandi furnishes the following particulars for the year 2020-21:
- He sold residential house on December 15, 2020 for Rs. 16,20,000 (he has inherited the house on the death of his father on March 2, 1990 Construction cost was Rs. 75,000 –Fair market value on April 1, 2001 was Rs. 1,20,000)
 - He purchased a residential house in Kolkata on May 3, 2020 for Rs 15,40,000.
 - He sold equity shares of Y Co. Ltd on February 12, 2021 for Rs 18,700 (Purchased on March 21, 2020 for Rs, 15,300). Such shares are not listed in a recognized stock exchange in India.

7

Compute his income from capital gains for the relevant assessment year.

7. Write a brief notes on Goods and Services Tax (GST). What are the benefits of registration under GST? State the persons who are exempt from registration under the Central CGST Act.

5+5+5

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.

—x—