

2019

LL.B

6th Semester Examination

DIRECT TAX

Paper - 6.5

Full Marks : 80

Time : 3 Hours

*The figures in the margin indicate full marks.
Candidates are required to give their answers
in their own words as far as practicable.*

Answer any five questions.

1. (a) Explain the term 'Income' as per Income Tax Act.
- (b) Define 'total income'. Discuss the steps to be followed for computation of total income and tax-liability of an assessee. 8+8=16
2. (a) 'Salary is taxable either on due basis or receipt basis' — Discuss.

[Turn Over]

(b) State the provisions of Income Tax Act, 1961 in respect of exemption of the following :

(i) House Rent Allowance

(ii) Entertainment Allowance $8+4+4=16$

3. (a) Mention incomes which are not included in the total income under Income Tax Act, 1961.

(b) Discuss briefly the income from other sources under the Income Tax Act, 1961. $8+8=16$

4. (a) How is the residential status of an individual determined ?

(b) Can a foreign company be treated as resident in India ? Discuss the rules for the determination of residential status of a firm under the Income Tax Act. $8+8=16$

5. (a) When is an income assessed under the head 'Income from house property' ?

(b) Discuss the treatment of house property let out to employees of assessee's business under the Income Tax Act. $7+9=16$

6. (a) How would you compute income from business or profession ? Give examples where income from certain business is not taxable under the head profits and gains of business.

(b) What are the general principles for allowing deductions under the head profits and gains of business ? Discuss. 6+4+6=16

7. (a) Define capital assets, short term capital assets and long term capital asset.

(b) How is cost of acquisition of capital asset ascertained ? 9+7=16

8. Write short notes (any *four*) : 4×4=16

(a) Permanent Account Number (PAN)

(b) Powers of Assessing Officer

(c) Best Judgement Assessment

(d) Previous Year

(e) Profits in lieu of Salary

(f) Annual value of house property.
