

Roll No.

Subject Code—2102

P.G. Diploma EXAMINATION

TAXATION

PGDT-102

Income Tax Law and Practice

Time: 3 Hours

Maximum Marks : 100

Note : Attempt any *Five* questions but question No. 1 is compulsory. Q. No. 1 carries 20 marks. and all other questions also carry 20 marks each.

1. Explain the following in not more than 20 words each :
 - (i) Income
 - (ii) Finance bill
 - (iii) Taxable capital gains
 - (iv) Capital gains

- (v) Gross total income
- (vi) Return
- (vii) Advance Tax
- (viii) Carry forward of losses
- (ix) Tax exemptions
- (x) Tax evasion.

2. Write a detailed note on the different tax-free incomes under Income Tax Act, 1961.
3. Define annual income under house property head of income. What are different deductions available u/s 24 of Income Tax Act, 1961 ?
4. From the following particulars of the income of Mr. Ram, a senior officer of Wipro Ltd. Delhi, compute his total income for the A.Y. 2005-2006 :
 - (a) Basic Pay – Rs. 170,000
 - (b) CCA – @ 15% of basic pay
 - (c) Entertainment Allowance – Rs. 46,000

- (d) Conveyance Allowance – Rs. 15,000
- (e) Family Allowance – Rs. 41,000
- (f) Bonus @ 16% of basic pay
- (g) Rent-free Accommodation of a fair rental value of – Rs. 40,000 p.a.

Other information are :

- (i) 86% of Conveyance Allowance has been spent.
- (ii) His employer contributes 14% of basic pay to the recognized provident fund and interest is 14% p.a. thereon.
- (iii) The employer in the house has provided furniture of worth Rs. 85,000.

Support your answer with detailed working notes.

5. "Under section 80 of the I.T. Act, 1961 the deductions are to be claimed by the assessee". Discuss main deductions.

6. "Assessments of firm and HUF are one and the same thing". Comment over the hypothec examples.
7. Write short notes on the following :
 - (a) Provisions regarding the Advance Payment of Income Tax
 - (b) Tax law requirements for Accounting System.
8. Discuss and elaborate the duties and rights of income tax authorities in India. Give a chart of the organizational structure.