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ST. JOSEPH'S COLLEGE (AUTONOMOUS), BENGALURU-27
-B.COM IFA - III SEMESTER
SEMESTER EXAMINATION: NOVEMBER 2020
BCIFA3119: INCOME TAX- II

Time- 2 1/2 hrs

Max Marks-70

This paper contains 3 (three) printed pages and four parts

SECTION A

Answer any FIVE of the following questions. Each question carries two marks. (5x2=10)

- 1) State the meaning of the term Total Income
- 2) Vasudha contends that sale of a work of art held by her is not subject to Capital Gains Tax. Is she correct?
- 3) Define capital asset
- 4) What is the deduction available to an Author in respect of Royalty Income from Books?
- 5) Mr.A is employed in a company with taxable salary income of Rs.5,00,000. He received a cash gift of Rs.1,00,000 from his mother. Is the cash gift so received chargeable to tax in the hands of Mr.A? If Yes, why?
- 6) Define Profession

SECTION B

Answer any THREE of the following questions. Each question carries five marks. (3x5=15)

- 7) What is the provision for set off and carry forward of loss of speculative business and house property?
- 8) A had acquired gold ornaments in 1974 for Rs.50,000. The market value of gold ornaments as on 1.4.2001 was 21,00,000. The above gold was converted into stock in trade to start a business of gold ornaments on 15.6.2019, when the market value was 46,00,000. The above gold ornaments were sold on 15.2.2020 for Rs.50,40,000. Compute capital gain and other income, taxable for the assessment year 2020-21. CII for financial years 2001-02, 19-20 is 100 and 289 respectively
- 9) Sri.Ram is a businessman dealing in cloth. In his previous year 2019-20 he received the following interest on securities by him:
 - a) Rs.5,040 on utilised debenture of Malwa Textile
 - b) Rs.3,600 on debentures of S Ltd listed on recognized stock exchange
 - c) Rs.4000 on 8% taxable saving bonds
 - d) Rs.9000 on 6% tax-free bonds issued by notified public sector company. The interest is paid on 31st December annually. He paid 2% commission to his bank for collection of interest. Calculate his Income from Other Sources for the assessment year 2020-21.
- 10) X, 40 years old, paid following sums by cheque –
 - a) Person Insured Amount Mediclaim Insurance premium for X -18,000
 - b) Mediclaim Insurance premium for Mrs. X (not dependant on X) -5,000
 - c) Contribution to the Central Government Health Scheme for Dependant Daughter- 3,000
Mediclaim Insurance premium for Son (not dependant on X) -3,000
 - d) Contribution to the Central Government Health Scheme for Brother (dependant on X) - 1,000
Mediclaim Insurance premium for Mother-in law (dependant on X age 70 years) - 900
 - e) Mediclaim Insurance premium for Mother (dependant on X age 59 years) -26,500Compute deduction available to Mr. X u/s 80D.