

2023

Time - 3 hours

Full Marks - 80

Answer ALL questions.

Figures in the right hand margin indicate marks.

1. Explain the provisions for set off and carry forward of loss u/s business, capital gain and house property under Income Tax Act, 1961. [20]

OR

- (a) What is set off of losses and discuss how it is different from carry forward of losses. [10]
- (b) Explain the provisions of Income Tax Act, 1961 regarding salary head of a person. [10]
2. (a) Explain in details the various business for which a company can claim deduction u/s 80 IA of Income Tax Act. [10]
- (b) Discuss in detail the provisions of MAT under section 115 JB. [10]

OR

[2]

Ashwini Company (P) Ltd. furnishes the following :

Interest on securities (computed) ₹ 10,000

Income from house property (computed) ₹ 20,000

(i) Textile Manufacturing :

Profit as per statement of profit and loss –

Before depreciation ₹ 2,00,000

Depreciation ₹ 95,000

(ii) Hosiery manufacturing :

Profit as per P statement of Profit and Loss –

Before depreciation ₹ 75,000

Depreciation ₹ 18,000

Agency business loss
b/f from 2020-21 ₹ 15,000

Income from other sources ₹ 25,000

Book profit u/s 115 JB ₹ 7,00,000

Compute the total income and tax liability under MAT for the assessment year 2022-23. [20]

3. Define tax planning. Explain the objectives, types, requisites and limitations of tax planning. [20]

[3]

OR

Mr. Atul, an Indian resident furnishes the following particulars of his income for the Assessment Year 2022-23.

You are required to deal with set-off and carry forward of losses.

[20]

(i) Income from securities (gross) ₹ 10,000

(ii) Income from residential house (computed) ₹ 5,000

(iii) Profits from Rayon business ₹ 25,000

(iv) Income from an agency business ₹ 2,000

(v) Speculation income ₹ 2,000

(vi) Short-term capital gain ₹ 4,000

(vii) Long-term capital gain ₹ 9,500

The carry forward items from the Assessment Year 2021-22 are :

(i) Loss from Hosiery business (discontinued)
in 2019-20 ₹ 4,000

(ii) Loss in agency business ₹ 3,000

(iii) Loss from Rayon business ₹ 3,000

(iv) Speculation loss ₹ 4,000

(v) Short-term capital loss	₹ 6,000
(vi) Long-term capital loss (previous year 2019-20)	₹ 6,500
Current year's depreciation for Rayon business is	₹ 500

4. (a) What do you mean by the term penalty ? Discuss the various defaults and consequent penalties livable under Income Tax Act, 1961. [10]
- (b) Make brief note on levy and exemptions from custom duties. [10]

OR

Mr. X paid the following amount as loan repayment during the Financial Year 2021-22 : [20]

- (i) ₹ 5,00,000 to Mr. A through an account payee cheque on April 1, 2021.
- (ii) ₹ 1,00,000 to Mr. B through online bank transfer (RTGS) on May 15, 2021.
- (iii) ₹ 50,000 to Mr. C in cash on July 16, 2021.
- (iv) ₹ 20,000 to Mr. D by way of crossed cheque on September 30, 2021.
- (v) ₹ 15,000 to Mr. E in cash on December 20, 2021.

State the nature of default and consequent penalty that may be levied to Mr. X.