

18. State the functions of Inspectors of Income tax.
 19. What are the various types of return of income return through TRP ?
 20. What is TCS TAN ? Explain.
 21. How to compute capital gain from conversion of capital asset into stock in trade ?
 22. Write a note on specific chargeability and grossing up of interest.

(8 × 2 = 16)

Part C

Answer any six questions.
 Each question carries 4 marks.

23. State any ten incomes chargeable of Income Tax under the head income from other sources.
 24. Explain various procedures for assessment.
 25. What are the conditions to be satisfied to carry forward business losses ?
 26. Compute the Total Income of Mr. Vairam from the particulars given below for the AY 2015-16 :
- | | | |
|------------------------------|---|---------------|
| (i) Business income | - | Rs. 2,04,300. |
| (ii) Long-term capital gain | - | Rs. 30,000. |
| (iii) Race winnings (Horse) | - | Rs. 10,000. |
| (iv) Amount deposited in PPF | - | Rs. 20,000. |
| (v) NSC VIII issue purchased | - | Rs. 10,000. |
27. Mrs. Jacob, an ordinary resident of India, received the following incomes as interest on investments in securities during the year ended 31-03-2015 :
- Rs. 1,000 as interest on Central Government Bonds.
 - Rs. 7,200 as interest on Debentures issued by a local authority.
 - Rs. 5,600 as interest on Debentures of 'A' Ltd. (unlisted).
 - Rs. 2,700 as interest on Debentures of 'B' Ltd. (listed).
 - Rs. 4,800 as interest on Tax Free Debentures of 'C' Ltd. (unlisted).

Determine Mrs. Jacob's interest on securities under the head 'Income from other sources' for the Assessment Year 2015-16.

28. From the following particulars of income of assesses A, B and C, how the capital losses shall be set-off and carried forward for the previous year ending 31-3-2015 :

| | Rs. |
|--|------------|
| A. (i) Business income | ... 15,000 |
| (ii) Short-term capital loss | ... 1,200 |
| (iii) Long-term capital gain (shares) | ... 7,200 |
| (iv) Long-term capital gain on sale of jewellery | ... 20,000 |
| B. (i) Business income | ... 30,000 |
| (ii) Short-term capital loss | ... 40,000 |

- | | |
|---|------------|
| C. (i) Business income | ... 60,000 |
| (ii) Short-term capital gain | ... 20,000 |
| (iii) Long-term capital gain (land) | ... 17,000 |
| (iv) Carry forward loss (short-term capital assets) | ... 50,000 |
29. Explain the basis of computation of capital gain on Right shares.
 30. What is basis of charge ? Explain.
 31. State the merits and demerits of advance payment of tax.

(6 × 4 = 24)

Part D

Answer any two questions.
 Each question carries 15 marks.

32. State the provisions relating to advance payment of tax and refund of tax.
 33. From the following information, compute income from other sources of Mr. Arul :

| | Rs. |
|---|--------------|
| Interest on deposits with a company | ... 10,000 |
| University remuneration for working as examiner | ... 6,000 |
| Royalty for writing books : | |
| He claims to have spent Rs. 20,000 on writing these books | ... 60,000 |
| Dividend declared by Raja Company on 1-3-2015 but paid on 1-5-2015 | ... 6,000 |
| Interim dividend paid on 1-5-2015 | ... 3,000 |
| Stake money on race horses : | |
| Horses are maintained by him and expenses on maintenance of these horses are Rs. 2,40,000 | ... 1,50,000 |
| Family pension received | ... 36,000 |

34. Mr. Arun, an Indian resident, furnishes the following particulars of his income for the assessment year 2015-2016. You are required to deal with set-off and carry forward of losses :

| Particulars | Amount (Rs.) |
|--|--------------|
| Income from securities (Gross) | ... 10,000 |
| Income from residential house (computed) | ... 5,000 |
| Profits from rayon business | ... 25,000 |
| Income from an agency business | ... 2,000 |
| Speculation business | ... 2,000 |
| Short-term capital gain | ... 4,000 |
| Long-term capital gain | ... 9,500 |

Turn over

The carry forward items from the assessment year 2014-2015 are :

| <i>Particulars</i> | <i>Amount</i> (Rs.) |
|--|------------------------|
| Loss from hosiery business (discontinued in 2012-13) ... | 4,000 |
| Loss in agency business ... | 3,000 |
| Loss from rayon business ... | 3,000 |
| Speculation loss ... | 4,000 |
| Short-term capital loss ... | 6,000 |
| Long-term capital loss (of previous year 2012-13) ... | 6,500 |

Current year's depreciation for rayon business is Rs. 500.

35. What are the powers of CBDT ? Explain the powers of Income-tax Authorities relating to search and seizure u/s 132.

(2 × 15 = 30)