KHUDIRAM BOSE CENTRAL COLLEGE

INTERNAL EXAMINATION 2020
B.COM SEMESTER-IV (HONS & GEN)
TAXATION-I (FULL MARKS-25/TIME 1 HOUR)

1. **ANSWER ANY ONE (5X1=5)**

   a) i) What is Tax Planning? ii) What is Tax Avoidance? iii) What is Tax Evasion?

   b) Mr. Smit. is a foreign citizen. Since 1995 he visits India every year in the month of April for 100 days. Find out the residential status of Mr. Smith for the Assessment Year 2020-21.

2. **Answer any two (2x10=20)**

   a) Mr. Anil Jana a non-Govt. Employee, retired from services on 31-10-19 after rendering services of 25 years and 9 months. He received gratuity of Rs.800000. his salary at the time of retirement was as under:
   Basic salary Rs.20000 p.m., Dearness allowance@ 59% of the Basic salary (Forming part of retirement).
   Compute taxable amount of Gratuity of Mr. Jana assuming, he is not covered by the payment of Gratuity Act.1972.

   b) Mr. X is the owner of a house which consists of two identical units each of which has been given on rent of Rs.2000 p.m. The Municipal value of the house is Rs.36000, while the fair rental value is Rs.42000. One of the units was vacated by the tenant on 31-12-19 and from 01-01-20 to 31-03-20 this unit was occupied by the owner for his own residence. The Municipal taxes paid was Rs. 8000. The construction of the house was completed on 01-02-15.
   Compute the income from house property for the Assessment Year 2020-21.

   c) Mr. sold a residential house on 28-06-19 for Rs.2300000. He had purchased this house on 01-10-15 for Rs. 1200000 and spent Rs.70000 on improvement of the house during the year. He purchased a new house on 21-10-19 for Rs.2500000. The new house was sold again on 16-07-20 for Rs.3500000. He purchased another house on 21-11-20 for Rs. 3800000.
   Compute the Capital Gain for the Assessment Year 2020-21 and 2021-22.