

## EXAMINATION OF ARTICLED CLERKS

## PAPER IV

## TAXATION

Monday, 22<sup>nd</sup> October, 2018

Time: 3 Hours (1:00 PM to 4:00 PM)

(Total Marks: 100)

- Note:**
1. *Figures to the right indicate full marks.*
  2. *Answer should be legible and to the point.*
  3. *Answer to every question should be on a fresh sheet of paper.*
  4. *Reference to "the Act" means the Income Tax Act 1961.*
  5. *Please support your answers with the relevant provisions of the Act and caselaw.*

- |   | <b>Marks</b> |
|---|--------------|
| <p>1. Enumerate the differences between any two of the following:</p> <p style="margin-left: 40px;">(a) Tax Avoidance &amp; Tax Planning.</p> <p style="margin-left: 40px;">(b) Capital receipt and revenue receipt.</p> <p style="margin-left: 40px;">(c) Set Off &amp; Carry Forward and Set Off.</p>   | <b>15</b>    |
| <p>2. Write a detailed note on:</p> <p style="margin-left: 40px;">Penalties imposable under the Act.</p> <p style="text-align: center; margin: 10px 0;">OR</p> <p style="margin-left: 40px;">Deductions to be made in computing total income.</p>   | <b>15</b>    |
| <p>3. (a) Are monetary gifts received by an individual or Hindu Undivided Family (HUF) taxable?</p> <p style="margin-left: 40px;">(b) Are monetary gifts received from friends liable to tax?</p> <p style="margin-left: 40px;">(c) Are monetary gifts received from abroad liable to tax?</p> <p style="margin-left: 40px;">(d) An Individual received different gifts (cash) from his friends on his wedding day, none of the gift exceeded Rs. 50,000 but the total of the gifts exceeded Rs. 50,000. What will be the tax treatment in such a case?</p> <p style="margin-left: 40px;">(e) Are immovable properties received as gift from friends liable to tax?</p> <p style="margin-left: 40px;">(f) Are there any cases in which the value of immovable property received by an individual or HUF without consideration (i.e. by way of gift) is not charged to tax?   Are gifts of immovable property received by an individual or HUF charged to tax?</p> | <b>12</b>    |

4. (a) What is Tax Deducted at Source? 10  
 (b) Is there any minimum amount upto which tax is not deducted?  
 (c) Can the payee request the payer not to deduct tax at source and to pay the amount without deduction of tax at source?  
 (d) What are the consequences a deductor would face if he fails to deduct TDS or after deducting the same fails to deposit it to the Government's account?
5. Is the benefit of indexation available while computing capital gain arising on transfer of short-term capital asset? 2
6. I have sold a house which had been purchased by me 5 years ago. Am I required to pay any tax on the profit earned by me on account of such sale? 2
7. Write five bullet points on any four of the following: 20  
 (a) Slump Sale.  
 (b) Amortisation.  
 (c) Bad Debts.  
 (d) Rectification of mistakes.  
 (e) Stock in trade.
8. Write short notes on any 6 of the following: 24  
 (a) Res Judicata in Income Tax proceedings.  
 (b) Transfer pricing.  
 (c) Demerger.  
 (d) Income of other persons included in Assessee's total income.  
 (e) Meaning of stamp duty value and its relevance while computing capital gain in case of transfer of capital asset, being land or building or both.  
 (f) Rebates and reliefs.  
 (g) Computation of income of non-residents.  
 (h) Appeals to the Appellate Tribunal.