

**EXAMINATION OF ARTICLED CLERKS****PAPER IV****TAXATION****Monday, 21st October, 2013****TIME : 3 HOURS (1.00 P.M. TO 4.00 P.M.)****(Total Marks – 100)**

- Notes.* —(1) Figures in the right indicate **full** marks.  
 (2) Answers should be legible, precise and to the point.  
 (3) Answers to every question should be on a fresh sheet of paper.  
 (4) No tax computations are required under any of the questions.  
 (5) Reference to the Act means Income Tax Act, 1961.

- |  | <b>Marks</b> |
|--|--------------|
| 1. (a) Briefly describe what is "Capital Assets" in Section 2(14) of the Act.  | 15           |
| (b) What are other assets not described in Section 2(14) are liable to be taxed under the head "Capital Gains". How is the cost of acquisition is to be determined in case of such assets?                           |              |
| (c) Whether Provisions of Indexed cost is available in case of computing capital gains in respect of assets not described in section 2(14) of the Act?   |              |
| 2. Discuss the provisions relating to Income from Property held for Charitable or Religious purposes under the Act.  | 13           |
| <b>OR</b>  |              |
| Discuss the provisions relating to Income of Trusts or Institutions from contributions under the Act.  |              |
| 3. Explain in brief the provisions of Section 50 C of the Act relating the consideration for transfer of the property lower than stamp duty valuation and its effect and the remedies provided in the said Section.  | 10           |
| 4. Explain in brief provisions relating bad debts in Section 36 of the Act.  | 10           |
| 5. (a) Does the doctrine of Res Judicata or Estoppel by Record apply to Income Tax Proceedings? Discuss..  | 12           |
| (b) Whether a Circular issued by the Board under Section 119(2)(a) of the Act is binding on an Assessee and the Income Tax Department? What if circular is inconsistent with the statutory provisions? Give Reasons. |              |
| 6. Discuss provisions relating to appeals :—   | 15           |
| (a) Before ITAT  |              |
| (b) Before High Court; and   |              |
| (c) Before Supreme Court.  |              |

7. Write short notes on any *five* of the following :—

- (a) Rectification of mistakes
- (b) Slump Sale
- (c) Intimation u/s.143(1) and remedies available to the assessee against such intimation.
- (d) Permanent Account Number.
- (e) Deductions available in computing income under the head “income from house property”.
- (f) Representative Assessee and liability to tax of such Representative Assessee.
- (g) Set off and carry forward of business loss.