EXAMINATION OF ARTICLED CLERKS

Paper IV

TAXATION

Monday, 2nd November 2015

Time : 3 Hours (1-00 p.m. to 4-00 p.m.)

(Total Marks—100)

Notes.— (1) Figures in the bracket indicate *full* marks.

(2) Answers should be legible, precise and to the point.

(3) Answers to every question should be on afresh sheet of paper.

(4) No tax computations are required under any of the questions.

(5) Reference to the Act means Income Tax Act, 1961.

Marks

1. Discuss principles underlying capital receipt and revenue receipt.   12

2. (a) Discuss provisions relating to appeal before the Supreme Court of India under the Act.   6

   (b) Discuss powers to admit additional evidence(s) under the Act :   6

   (i) before the Tribunal, and

   (ii) before the High Court.

3. (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 ?

4. Discuss the provisions relating to Income from Property held for Charitable or Religious purposes under the Act.   14

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. Explain in brief provisions relating bad debts in Section 36 of the Act.   10

7. Write short notes on any *five* of the following :—   25

   (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 Assessees and liability to tax of such Representative Assessees.

   (g) Set off and carry forward of business loss.