

**EXAMINATION OF ARTICLED CLERKS**

**PAPER IV**

**TAXATION**

MONDAY, 3<sup>rd</sup> NOVEMBER 2014

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 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. Explain in brief the provisions of Section 50C of the Act relating to consideration for transfer of property lower than stamp duty valuation and its effect and remedies provided in the said Section. | 10           |
| 2. Explain in brief the provisions of slump sale and the provisions regarding computation of capital gains.   | 10           |
| 3. Explain in brief :—  | 10           |
| (a) Under that circumstances certain transfers are regarded as void under Section 281 of the Act?   |              |
| (b) What are the exceptions to the said provisions?   |              |
| (c) What are the safeguards to be adopted to avoid tax liability?   |              |
| 4. (a) What is the definition of “demerger” under Section 2 (19AA) of the Act?  | 10           |
| (b) The provisions regarding Capital Gains and Depreciation in case of demerger?  |              |
| 5. Write short note on any of the four of the following :—  | 20           |
| (a) Deemed dividend   |              |
| (b) Explain the meaning of “royalty” and “fees for technical services” under Section 9 of the Act.  |              |
| (c) “transfer” in relation to capital asset   |              |
| (d) When the Assessee is treated as in default  |              |
| (e) Powers of Commissioner to revised the Order of the Assessing Officer Under 263  |              |

- (f) Amortisation of expenditure in case of amalgamation or demerger
- (g) Representative Assessee- who may be regarded as Agent
- (h) Discuss the provisions relating to tax deduction at source with regard to payment of rent under Section 194I of the Act.
6. (a) Discuss the provisions relating to Appeal before the Supreme Court of India under the Act 10
- (b) Discuss the powers to admit additional evidence under the Act before the Tribunal and before the High Court.
7. What does the expression "charitable purpose" means under the Act? And also discuss the provisions of Registration and Cancellation of Registration of Charitable Trust under Section 12AA. 10
8. (a) A person is a tenant of residential premises of more than 3 (three) years, he surrender his tenancy rights to landlord and receives compensation from Landlord what is the effect of compensation on surrender of tenancy rights? Whether the tenant can invest amount of compensation received from the Landlord in the house property? Or any other mode? 10
- (b) The property of the Assessee is damaged or destroyed by reason of flood and receipt of compensation for such damage or destruction, whether Assessee will be liable for tax? And under what head?
9. (a) What is discretionary Trust? How the assessment is made in case of discretionary Trust? 10
- (b) Housing Co-operative Society invests its surplus fund in the Co-operative Banks whether interest received by the Society from the Co-operative Banks is taxable under the Act?