

**GOVERNMENT COLLEGE
SEETHANAGARAM**
East Godavari District, Andhra Pradesh

Department of Commerce

**CERTIFICATE COURSE
IN
DIRECT TAX PROCEDURE AND PRACTICES**

2021-2022

DIRECT TAX PROCEDURE AND PRACTICES

Total Hours -30

Unit/Module-1: (6 Hours)

Introduction - Basic concepts - Person - Assessee – Legal Frame Work - Assessment year- Previous year – Income - Types of Income- Indian Income- Foreign Income – Income Exempted from Tax- Agriculture income- Residential status- Resident and Ordinary Resident- But not Ordinary Resident- Non Resident- Incidence of Tax

Unit/Module-2: (6 Hours)

Computation of Taxable Income from Salary and House Property: Different Heads of Income- Income from Salary – Salary – Allowance- fully taxable, partially taxable, fully exempted allowances – Perquisites- taxable in all cases, taxable in certain cases and exempted in all cases – Profit in-lieu of Salary

Computation of Income from House Property: Income from House Property-exempted incomes from House Property- Computation of Annual Value – different Types of Rental Values – Deductions.

Unit/Module-3: (6 Hours)

Computation of Income from Business and Profession: Depreciation rate - Charging Provisions – Computation – Expenses which can be debited - Maintenance of Accounts.

Unit/Module-4: (6 Hours)

Computation of Income from Capital Gains and Other Sources: Short-term Capital Gain & Long-Term Capital Gain- Treatment of Capital Losses – Exempted Capital Gains – Tax on Capital Gains. Income from Other Sources – General Incomes – Specific Incomes

Unit/Module-5: (6 Hours)

Assessment of Individual Income – Tax Management: Clubbing of Incomes – Set off and Carry forward of Losses – Deductions from Gross Total Income – Computation of Total Taxable Income -Assessment of Individual Income – Tax Management

- Practical:**
- | | |
|----------------------------------------|------------------------------|
| 1. Computation of total taxable income | 2. Preparation of Form 16 |
| 3. Online submission of ITR1 (Sahaj) | 4. Online submission of ITR2 |
| 5. Online submission of ITR2A | 6. Online submission of ITR3 |

Note: Credits -1 for on-the-job field work/practical exposure

Units	Name of the Topic	MCQ 30M
1	Introduction - Basic concepts	6
2	Computation of Taxable Income from Salary and House Property	6
3	Computation of Income from Business and Profession	6
4	Computation of Income from Capital Gains and Other Sources	6
5	Assessment of Individual Income – Tax Management	6

GOVERNMENT DEGREE COLLEGE

SEETHANAGARAM

DEPARTMENT OF COMMERCE

CERTIFICATE COURSE

QUESTION PAPER

Q1. Income Tax is Imposed by .

- (a) State Government (b) Central Government
(c) Both of the above (d) Constitution of India

Q2. Parliament has the power to levy tax on incomes other than .

- (a) Exempt Incomes (b) Income of poor people
(c) Agricultural Income (d) All incomes are taxable

Q3. Which Entry of Union List gives the power to Parliament to levy tax on incomes?

- (a) Entry 81 of List I to Seventh schedule (b) Entry 81 of List II to Seventh schedule
(c) Entry 82 of List I to Seventh schedule (d) Entry 82 of List II to Seventh schedule

Q4. Highest Administrative Authority for Income Tax in India is .

- (a) Finance Minister (b) CBDT
(c) President of India (d) Director of Income Tax

Q5. Income-tax Act, 1961 applies to .

- (a) Whole of India (b) Whole of India excluding J&K
(c) Maharashtra (d) All of the above

Q6. The basic source of Income-tax law is .

- (a) Income-tax Act, 1961 (b) Income-tax Rules, 1962
(c) Circulars/Notifications (d) Judgments of Courts

Q7. Income Tax Act came into force on .

- (a) 1.4.1961 (b) 1.4.1962 (c) 1.4.1956 (d) 1.4.1965

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Q8. Income Tax Act contains sections

- (a) XIV (b) 297 (c) XV (d) 298

Q9. Income Tax Act contains schedules.

- (a) XIV (b) 297 (c) XV (d) 298

Q10. Proviso gives to the main provision.

- (a) Clarification (b) Exceptions
(c) Proper Administration (d) None of these

Q11. Assessment year can be a period of .

- (a) > 12 months or < 12 months (b) only 12 months
(c) 12 months or < 12 months (d) ≥ 12 months.

Q12. Mr. P sets up a new business on 15.7.2018 & he commenced his business from 1.2.2019. First PY shall be:

- (a) 15.7.2018 to 31.3.2019 (b) PY 2018-19
(c) 1.2.2018 to 31.3.2019 (d) PY 2019-20

***Q13. First previous year in case of a business or profession newly set up on 31.3.2019 would be.**

- (a) Start from 1.4.2018 & end on 31.03.2019 (b) Start from 31.3.2019 & will end on 31.3.2019
(c) Start from 1.1.2019 & end on 31.12.2019 (d) Start from 1.1.2019 & end on 31.3.2019

Q14. All Assesses are required to follow:

- (a) Uniform PY which must be calendar year only (b) Uniform PY which must be FY only
(c) Any period of 12 months as previous year (d) Period starting from 1st July to 30th June as PY

Q15. A person follows Calendar year for accounting purpose. For taxation, he has to follow

- (a) Calendar year only – 1 Jan to 31 December (b) FY only - 1 April to 31 March
(c) Any Calendar or FY as per his choice (d) He will follow extended year from 1st January to next 31st March (a period of 15 months)

Q16. Mr. P. maintains his accounts of the basis of calendar year. For PY 2018-19, his AY shall be.

- (a) 2018-19 (b) 2018 (c) 2019-20 (d) 2019

Q17. In which of the following cases, income of PY is assessable in the previous year itself.

- (a) A persons leaving India (b) Salaried Employee
(c) Illegal business (d) Charitable institution

***Q18. If the master of the ship belonging to a NR could not file return of income before the departure of ship from India then it can be filed after the ship has left India but within days.**

- (a) 30 (b) 45 (c) 60 (d) 90

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*Q19. In case of shipping business of NR, Income =

- (a) 10% of the fare & freight collected by the ship. (b) 20% of the fare & freight collected by the ship.
(c) 25% of the fare & freight collected by the ship. (d) 7.5% of the fare & freight collected by the ship.

Q20. Income of NR from shipping business in India is taxed

- (a) 30% + SC + HEC (b) 40% + SC + HEC
(c) 50% + SC + HEC (d) 60% + SC + HE

Q21. 'Income' u/s 2(24) includes .

(i) Profits of any business carried on by a person.

(ii) Any advance money forfeited in the course of negotiations for transfer of capital asset. Choose the correct option:

- (a) Both (i) & (ii) (b) Only (i)
(c) Only (ii) (d) Neither (i) nor (ii).

Q22. Which of the following income is not included in the term 'Income' ?

- (a) Profit & gains (b) Dividend (c) Profit in lieu of salary (d) Reimbursement of travelling expenses

Q23. Cash gift received from a non-relative is regarded as income. But Exempt amount is p.a.

- (a) Rs. 25,000 (b) Rs. 75,000 (c) Rs. 50,000 (d) Rs. 25,000

Q24. What is not included in taxable Income ?

- (a) Income from smuggling activity (b) Casual Income
(c) Capital Receipt, except gains on transfer of capital asset (d) Income received in kind.

Q25. A & Co. received Rs. 2 lacs as compensation from B & Co. for premature termination of contract of agency. Amount so received is .

- (a) Capital receipt & taxable (b) Capital receipt & not taxable
(c) Revenue receipt & taxable (d) Revenue receipt & not taxable

Q26. Mr. P has taken a loan of Rs. 5,00,000 from HDFC bank for purchasing a car. His rental income is Rs. 50,000 pm out of which Rs. 5,000 pm directly goes to the bank as an installment of loan. Discuss the tax treatment.

- (a) Rs. 5,000 p.m is treated as diversion of income. (b) Rs. 5,000 p.m is an application of income.
(c) Rs. 5,000 p.m is not treated as his income. (d) None of the above.

Q27. Year in which income is taxable is known as & year in which income is earned is known as.

- (a) PY, AY (b) AY, PY (c) AY, AY (d) PY, PY

Q28. Pick-the correct one.

- (a) AY & PY are same concepts. (b) AY is the year next to the PY.
(c) PY is the year next to the AY. (d) None of the above

Q29. Assessment Year is the period of 12 month commencing on 1st day of.

- (a) April every year (b) December every year
(c) July every year (d) January every year

Q30. Previous Year can be a period of .

- (a) > 12 months or < 12 months (b) only 12 months
(c) 12 months or < 12 months (d) \geq 12 months.

**ANSWERS: 1: d 2: c 3: c 4: b 5: a 6: a 7: b 8: d 9: a 10: b 11: b 12: a 13: b 14: b 15: b 16: c 17: a
18: a 19: d 20: b 21: a 22: d 23: c 24: c 25: a 26: b 27: b 28: b 29: a 30: c**

