



THE AMERICAN COLLEGE, MADURAI
(An Autonomous Institution Affiliated to Madurai Kamaraj University)
Re-accredited (2nd Cycle) by NAAC with Grade "A", CGPA – 3.46 on a 4-point scale
Backlog Arrear Examination, March 2021

Taxation and Tax planning -I

PCO 507

MARKS: 75

Time: 3 Hrs

Answer any FIVE of the following questions:

(5 x 15 =75)

1. What do you understand by income tax? and characteristics of an effective Tax System.
2. Discuss the various types of Allowances.
3. What will be annual value in the following condition:

Houses	A	B	C
Municipal value	20,000	30,000	40,000
Actual Rent	40,000	38,000	30,000
Fair Rent	28,000	28, 000	32,000
Standard Rent	26,000	26, 000	30,000

4. Give the accounting treatment of income from business under income tax act.
5. Distinguish between long term capital gains and short term capital gains and how do you calculate capital gains?.
6. What do you understand by income from other sources, state the main incomes which are included under this head?
7. Brief explain any TEN deduction under section 80 given from G.T.I.