

**Paper 7 – Direct Taxation**

## Paper 7 – Direct Taxation

Time Allowed: 3 Hours

Full Marks: 100

Answer Question No. 1 which is compulsory and any FIVE from Question No 2 to 8.

### Section-A

1.

(a) Choose the most appropriate alternative

10x1=10 Marks

- (i). Dividend from a company which is engaged in agricultural activities is:
  - (a) Agriculture income
  - (b) Business income
  - (c) Partly agricultural income
  - (d) None of above
- (ii). Short term capital gain not covered u/s 111A is:
  - (a) Exempt
  - (b) Taxable @ 15%
  - (c) Taxable at normal rate applicable to the assessee
  - (d) None of above
- (iii). Loss from house property can be carried forward and set-off in subsequent eight assessment years:
  - (a) If return of loss is filed within due date
  - (b) Even if return of loss is filed after due date
  - (c) Even if return of loss is not filed
  - (d) None of above
- (iv). The basic exemption limit in case of a non-resident firm is:
  - (a) ₹ 2,50,000
  - (b) ₹ 3,00,000
  - (c) ₹ 5,00,000
  - (d) None of these
- (v). TDS u/s 194 in respect of dividend, if payee furnish PAN is:
  - (a) 10%
  - (b) 20%
  - (c) 30%
  - (d) None of above
- (vi). Tax payable by a resident individual, if he has long term capital gain of ₹ 2,60,000 but has no other income is:
  - (a) ₹ 1000 plus cess
  - (b) ₹ 26,000 plus cess
  - (c) ₹ 52,000 plus cess
  - (d) None of above
- (vii). Winnings from lotteries is ₹ 50,000 and expenses incurred to earn such income is ₹ 5,000. Its taxable income is
  - (a) ₹ 50,000
  - (b) ₹ 45,000
  - (c) Nil
  - (d) None of above
- (viii). Net salary after deducting tax at source ₹ 10,000 is ₹ 2,50,000 the amount of taxable salary is:
  - (a) ₹ 2,40,000
  - (b) ₹ 2,50,000
  - (c) ₹ 2,60,000

## Q & A\_MTP\_ Inter \_Syllabus 2016\_ June 2017\_Set 1

---

- (d) None of the above
- (ix). Amount of deduction in respect of donation to approved scientific research institution u/s 80GGA is:
- (a) 100% of such donation
  - (b) 200% of such donation
  - (c) 175% of such donation
  - (d) None of above
- (x). Agricultural land located in rural area is:
- (a) Capital asset
  - (b) Not a capital asset
  - (c) Exempted capital asset
  - (d) None of above

**(b) Match the following:**

**5x1=5 Marks**

- |                                |                                   |
|--------------------------------|-----------------------------------|
| (i). Winnings from lotteries   | (a) covered u/s 14A               |
| (ii). Resident foreign company | (b) central board of direct taxes |
| (iii). Cultivation expenses    | (c) taxed @ 30%                   |
| (iv). Tax administration       | (d) Sec 139 (1)                   |
| (v). Return of loss            | (e) place of effective management |
|                                | (f) Sec 139(3)                    |

**(c) State true or false with reasons:**

**5x1= 5 Marks**

- (i). A trust shall be considered as charitable trust irrespective of its quantum of commercial activities during the previous years.
- (ii). Periodical pension received by government employee is exempt u/s 10 (10A).
- (iii). Zero coupon bonds are considered to be short term capital asset if they are held upto 12 months, though they are not listed.
- (iv). Conversion of proprietary firm into a partnership firm is not considered as transfer under capital gains.
- (v). Unabsorbed depreciation is carry forward even if return is not submitted within due date.

**(d) Fill in the blanks:**

**5x1=5 Marks**

- (i). Rebate u/s 87A is allowed up to ₹ \_\_\_\_\_.
- (ii). Dividend from a domestic company is exempted up to ₹ \_\_\_\_\_ in case of a person other than an individual/HUF/Firm.
- (iii). Securities Transaction Tax is \_\_\_\_ (deductible/ not deductible) while computing capital gain.
- (iv). Interest on enhanced compensation is taxable after deduction at the rate of \_\_\_\_.
- (v). Advance tax is not required if the amount of tax payable is \_\_\_\_\_.

**Answer:1.a**

- 1. d
- 2. c
- 3. b
- 4. d
- 5. a
- 6. d
- 7. a
- 8. c
- 9. a
- 10. b

**Answer:1.b**

- i. c
- ii. e
- iii. a
- iv. b
- v. f

**Answer:1.c**

- i. True
- ii. False
- iii. True
- iv. False
- v. True

**Answer:1.d**

- i. ₹ 5,000
- ii. Without any limit
- iii. Not deductible
- iv. 50%
- v. Less than ₹ 10,000

**Section-B**

**(Answer any five questions out of seven questions)**

**2.**

**(a)** P submits the following information:

- (i). Salary for services rendered in India ₹ 50,000.
- (ii). Income from property outside India ₹ 10,000.
- (iii). Profit of Business A carried on in India ₹ 20,000
- (iv). Loss of Business B carried on in India ₹ 50,000
- (v). Profit of business C carried on outside India but controlled from India ₹ 40,000.
- (vi). Loss of Business D carried on outside India and controlled outside India ₹ 20,000.
- (vii). Unabsorbed depreciation of business D ₹ 8,000.
- (viii). Loss from betting ₹ 4,000.

Determine the net income on the assumption that P is:

- (A) Ordinary resident in India.
- (B) Not ordinary resident in India.
- (c) Non-resident.

**6 Marks**

**(b)** R owns two houses both of which are occupied for residential purpose. The following particulars are available:

	House – I	House – II
Municipal value	4,00,000	6,00,000
Fair rent	3,00,000	7,20,000
Standard rent	3,00,000	7,50,000
Municipal tax paid	10%	12%
Interest of loan	50,000	1,00,000
Date of loan	1.4.1998	1.4.2006
Repayment of loan	75,000	95,000

Compute income from house property.

**9 Marks**

## Q & A\_MTP\_Inter\_Syllabus 2016\_June 2017\_Set 1

**Answer:2.a.**

### Determination of Net Income

Sl/No	Particulars	ROR	RNOR	NR
i.	Salary in India	50,000	50,000	50,000
ii.	Property outside India	10,000	-	-
iii.	Business A in India	20,000	20,000	20,000
iv.	Business B in India	(50,000)	(50,000)	(50,000)
v.	Business C outside India (Controlled from India)	40,000	40,000	-
vi.	Business outside India (Controlled outside India)	(20,000)	-	-
vii.	Unabsorbed depreciation (relating to Business D)	(8,000)	-	-
viii.	Loss from betting	-	-	-
ix.		42,000	60,000	20,000

Note:

1. In case of ROR, unabsorbed depreciation ₹ 8,000 relating to Business D is carry forward.
2. In case of NR, unabsorbed loss relating to Business B is carry forward for 8 years.

**Answer:2.b.**

### Computation of Income from House property

Let us treat all houses as deemed to be let out

Particulars	Amount (₹)	Amount (₹)
Reasonable Expected Rent Municipal Value or Fair Rent whichever is Higher Or Standard Rent whichever is lower	3,00,000	7,20,000
Less: Municipal Tax @ 10%	40,000	60,000
Net Annual Value	2,60,000	6,60,000
Less: Standard Deduction @ 30%	78,000	1,98,000
Interest on Loan	50,000	1,00,000
Income from H.P	1,32,000	3,62,000

Let us treat all house as self occupied

Particulars	Amount (₹)	Amount (₹)
Net Annual Value	Nil	Nil
Less: Interest on Loan	30,000	1,00,000
Income under head H.P	(-)30,000	(-)1,00,000

Options	House-I	House-II	Amount (₹)
Option-I	1,32,000	(-)1,00,000	32,000
Option-II	(-)30,000	3,62,000	3,32,000
Whichever is lower is ₹ 32,000			
Income from House Property ₹ 32,000			

Notes:

1. Maximum deduction u/s 24(b) in respect of self occupied property if loan is taken before 1-4-1999 is ₹ 30,000.
2. Repayment of loan is eligible for deduction u/s 80C in certain cases (i.e if paid to government, Scheduled bank, LIC etc.)

**3.**

**(a)** S retires from a private company on 1.1.2017 after 25 years and 10 months of service. He submits the following particulars:

- (i). Salary ₹ 30,000 pm.
- (ii). Dearness allowance ₹ 6,000 pm.
- (iii). Leave travel concession ₹ 10,000.
- (iv). Pension ₹ 12,000 pm.

## Q & A\_MTP\_ Inter \_Syllabus 2016\_ June 2017\_Set 1

- (v). Gratuity ₹ 7,00,000 (he is not covered under the Payment of Gratuity Act)  
 (vi). Payment from unrecognized provident fund ₹ 4,00,000 (50% represents employer's contribution which includes interest ₹ 20,000)  
 You are required to compute income from salary. **9 Marks**

- (b)** From the following particulars of Q, Compute the income under the head income from other sources.
- (i). Interest on trading securities ₹ 10,000.
  - (ii). Interest on bank deposits ₹ 12,000
  - (iii). Royalty on patents ₹ 8,000
  - (iv). Winnings form lotteries (Net) ₹ 21,000.
  - (v). Interest on debentures (Net) ₹ 13,500.
  - (vi). Interest on post office savings bank account ₹ 5,000.
  - (vii). Dividend from Q Ltd., ₹ 8,000.
  - (viii). Bank collection charges for realization of dividend ₹ 500
- 6 Marks**

**Answer:3.a.**

Computation of Income from Salary

Particulars	Amount (₹)
Salary (30000 x 10)	3,00,000
Dearness Allowance (6000 x 10)	60,000
Leave Travel Concession (exempt u/s 10(5))	Nil
Pension (12,000 x 2)	24,000
Gratuity (WN-1)	2,50,000
Payment from unrecognised provident fund (WN-2) (1,80,000+20,000)	2,00,000
<b>Income from Salary</b>	<b>8,34,000</b>

WN-1: Calculation of taxable gratuity

Taxable amount = Amount received – Amount of exemption

Amount of exemption u/s 10(10)

- |                                                                                                                                                                                                                                                                                              |   |                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|--------------------|
| <ul style="list-style-type: none"> <li>i. Amount received ₹ 7,00,000</li> <li>ii. <math>\frac{1}{2} \times \text{Average Salary} \times \text{Length of service}</math><br/><math>\frac{1}{2} \times 36,000 \times 25 = ₹ 4,50,000</math></li> <li>iii. Maximum limit ₹ 1,000,000</li> </ul> | } | Whichever is lower |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|--------------------|

$$\begin{aligned} \text{Taxable Amount} &= ₹ 7,00,000 - ₹ 4,50,000 \\ &= ₹ 2,50,000 \end{aligned}$$

WN-2: Calculation of taxable Provident fund

Taxable amount = 4,00,000 x 50% = ₹ 2,00,000 (Principal + Interest )  
 (Employer Contribution)

Taxable Amount under the head "IOS" = ₹ 20,000 (Interest)  
 (Employee Contribution)

Note:

1. Dearness Allowance is considered as part of salary.
2. Last drawn salary is excluded for determining average salary
3. Salary falls due on 1<sup>st</sup> of next month.

**Answer:3.b.**

Computation of income from other sources

Particulars	Amount (₹)
Interest on trading securities	-
Taxable under head Profit & Gains from Business and Profession	-
Interest on bank deposit	12,000

## Q & A\_MTP\_Inter\_Syllabus 2016\_June 2017\_Set 1

Royalty on patents	8,000
Winning from lotteries 21,000 x 100/70	30,000
Ineptest on debenture 13500 x 100/90	15,000
Interest on post office savings bank account 5000-3500 us 10(15)	1,500
Dividend exempt u/s 10(34)	Nil
Income u/s 56	66,500
Less: Deduction u/s 57 Bank Charges	Nil
	66,500

Note:

1. Q Ltd. Is assumed as domestic company.
2. Bank charges disallowed u/s 14A.

**4.**

- (a)** Mr. Y sold a residential building at Madurai for ₹ 80 lakhs in October 2016. The stamp duty value is ₹ 95 lakhs. Brokerage is paid @ 5% to an agent for arranging the buyer. The residential building is purchased in June 2004 for ₹ 12 lakhs. He acquired two residential flats at Chennai for ₹ 54,00,000 and at Madurai for ₹ 48,00,000 in July, 2017. Compute capital gain for the Assessment Year 2017-18. CII 2016-17: 1125, 2004 – 05: 480. **9 Marks**

- (b)** X who is a person with severe disability submits you the following Information. Compute: (a) the taxable income (b) the net tax payable by X for assessment year 2017-18: **6 Marks**

Particulars	Amount (₹)
Salary (per month)	3,000
Interest on Government securities	2,000
Interest on Saving Bank Deposits	69,000
Long-term capital gains	2,90,000
He deposited ₹ 10,000 in his Public Provident Fund during the previous year.	

**Answer:4.a.**

Computation of Capital Gain

Particulars	Amount (₹)
Full Sale consideration	95,00,000
Less: Brokerage @ 5% of ₹ 80 Lakh	4,00,000
Net Sale Consideration	91,00,000
Less: Indexed cost of acquisition 12,00,000 x 1125/480	28,12,500
Long term capital gain	62,87,500
Less: Exemption u/s 54 Residential flat at Chennai	54,00,000
Long term Capital Gain	8,87,500

**Answer:4.b.**

Computation of total income of person with severe disability

Particulars	Amount (₹)
Salary (30,000 x 12)	36,000

## Q & A\_MTP\_ Inter \_Syllabus 2016\_ June 2017\_Set 1

Long term capital gain	2,90,000
Income from other source	
Interest on Government Securities	2,000
Interest on Saving bank deposit	69,000
Gross Total Income	3,97,000
Less: Deduction under chapter VI-A	
Under section 80C PPF	10,000
Under section 80TTA-Saving bank deposit	10,000
Under section 80U Severe disability (Maximum ₹ 1,25,000)	87,000
Net Total Income	2,90,000

Calculation of Tax liability

Relief = Basic Exemption Limit – Total Income (excluding Long term capital gain )  
 = 2,50,000 – Nil = 2,50,000

Tax on LTCG u/s 112 @ 20% = 20% [2,90,000 – 2,50,000]  
 = 8,000 + cess @ 3% = ₹ 8,240

Note:

1. Deduction u/s 80U is fixed ₹ 1,25,000. However deduction is not allowed from LTCG u/ s 112.
2. Relief is eligible in case of resident individual and HUF.

5.

(a) X Ltd., is incorporated on 5<sup>th</sup> Dec, 2015 and it commences its production on 5<sup>th</sup> June, 2016. During the previous year 2015 – 16 the following expenses are incurred by it:

- (i). Registration fees ₹ 5,000.
- (ii). Drafting and printing expenses of MOA/AOA ₹ 60,000.
- (iii). Project report by assessee ₹ 20,000.
- (iv). Feasibility report by approved concern ₹ 30,000.
- (v). Market survey by a concern which is not approved ₹ 10,000.
- (vi). Research and development expenses incurred after commencement of business ₹ 20,000.
- (vii). Cost of fixed assets as on 31.3.2016 is ₹ 15,00,000 and 31.3.2017 is ₹ 20,00,000.
- (viii). Capital employed as on 31.3.2016 is ₹ 12,00,000 and 31.3.2017 is ₹ 18,00,000.

Compute the deduction admissible u/s 35D for the relevant assessment year.

**9 Marks**

(b) From the following details, compute the Gross Total Income of A for the assessment year 2017-18:

Particulars	Amount (₹)
Taxable income from salary	80,000
Income from house property House 'A' (let out)	(95,000)
House 'B' (self-occupied, interest on borrowed money)	(9,000)
Short-term capital gain	12,000
Loss from long-term assets	25,000
Interest on securities (Gross)	10,000

**6 Marks**

**Answer:5.a.**

Amount of deduction u/s 35D in case of X Ltd

Gross Qualifying Amount

- |      |                   |        |
|------|-------------------|--------|
| i.   | Registration fees | 5,000  |
| ii.  | MOA/AOA           | 60,000 |
| iii. | Project Report    | 20,000 |



## Q & A\_MTP\_Inter\_Syllabus 2016\_June 2017\_Set 1

iv.	Feasibility Report	30,000
v.	Market Survey (not approved)	Nil
	<b>Total</b>	<b>1,15,000</b>

Net Qualifying Amount:

i.	5% of cost of fixed assets on 31.3.2017 20,00,000 x 5% = ₹ 1,00,000	}	whichever is higher = ₹ 1,00,000
	Or		
ii.	5% of capital employed on 31.3.2017 18,00,000 x 5% = ₹ 90,000		

Amount of deduction

GQA or NQA whichever is lower is allowed in 5 equal instalments from the assessment year 2017-18.

AOD= 1/5 th of ₹ 1,00,000 = ₹ 20,000

Note:

1. R & D expenses after commencement of business is deductible u/s 37(1).
2. Cost of fixed assets and capital employed at the end of the year in which commercial production is commenced is taken.

**Answer:5.b.**

Computation of GTI of Mr A.

Particulars	Amount (₹)	Amount (₹)
Income from Salary	80,000	
Less: Loss from house property (95,000 + 9,000)	80,000	Nil
Capital Gain STCG	12,000	
Less: Loss from house property (1,04,000 – 80,000)	12,000	Nil
Interest on securities	10,000	
Less: Loss from house property (24,000 – 12,000)	10,000	Nil
<b>Gross Total Income</b>		<b>Nil</b>

Note:

1. Remaining loss from house property ₹ 2,000 (i.e ₹ 12,000 – 10,000 ) is carry forward for 8 assessment year.
2. LTCL of ₹ 25,000 is carry forward.

**6.**

(a) Mr. X earns the following income:

- (i). Rent from agricultural land in India ₹ 50,000.
- (ii). Income from a farm house used for agricultural purposes ₹ 70,000.
- (iii). Ground rent ₹ 90,000.
- (iv). Royalty from mining lands ₹ 80,000
- (v). Income from house property ₹ 60,000
- (vi). Dividend from non-domestic company ₹ 40,000
- (vii). Loss on sale of agricultural produce ₹ 20,000.
- (viii). Loss from sub-letting of property ₹ 10,000.

Calculate tax liability of Mr. X

**9 Marks**

(b) The estimated income of an assessee from various sources during the year 2016-17 is as follows:

## Q & A\_MTP\_Inter\_Syllabus 2016\_June 2017\_Set 1

- (i) Business income ₹ 4,52,500.
- (ii) Loss from house property ₹ 52,500.
- (iii) Interest from government securities ₹ 20,000

Calculate advance tax and the installments payable on different dates if:

(A) Assessee is a partnership firm.

(B) Assessee is an individual, resident in India (assume that deduction u/s 80C is ₹ 10,000)

**6 Marks**

**Answer: 6.a**

Calculation of tax liability of Mr.X  
Non Agricultural Income

Particulars	Amount (₹)	Amount (₹)
Income from house property		60,000
Income from Other sources		
Ground rent	90,000	
Royalty	80,000	
Dividend	40,000	
	2,10,000	
Less: Loss from subletting	10,000	
		2,00,000
		2,60,000

Agricultural Income

Particulars	Amount (₹)	Amount (₹)
Rent from agricultural Land	50,000	
Income from farm house used for agricultural purposes	70,000	
	1,20,000	
Less: Loss on sale of agriculture produce	20,000	
		1,00,000

Calculation of tax liability:

Step-1 Tax on NAI + AI

i.e tax on ₹ 3,60,000 = ₹ 11,000

Step-2: Tax on AI + Basic exemption limit

i.e tax on ₹ 3,50,000 = ₹ 10,000

Step-3: Step 1- step2

= ₹ 1,000

Step-4: Less rebate u/s 87A (Max ₹ 5,000)

Tax Nil

**Answer: 6.b.**

Calculation of advance tax instalments

Particulars	Amount (₹)
Business Income	4,52,000
Less: Loss from property	52,500
	4,00,000
Interest on securities	20,000
Gross Total Income	4,20,000

In case of a firm:

Tax on ₹ 4,20,000 @ 30% = ₹ 1,26,000

Instalments	Due date	%	Amount (₹)
1 <sup>st</sup>	15 <sup>th</sup> June	15%	18,900

## Q & A\_MTP\_Inter\_Syllabus 2016\_June 2017\_Set 1

2 <sup>nd</sup>	15 <sup>th</sup> Sept	30%	37,800
3 <sup>rd</sup>	15 <sup>th</sup> Dec	30%	37,800
4 <sup>th</sup>	15 <sup>th</sup> Mar	25%	31,500

In case of resident individual

$$\begin{aligned} \text{Estimated Total Income} &= \text{GTI} - \text{Deduction u/s 80C} \\ &= 4,20,000 - 10,000 \\ &= 4,10,000 \end{aligned}$$

$$\begin{aligned} \text{Tax on ₹ 4,10,000} &= ₹ 16,000 \\ \text{Less: Rebate u/s 87A} &= \underline{5,000} \end{aligned}$$

11,000

Instalments	Due date	%	Amount (₹)
1 <sup>st</sup>	15 <sup>th</sup> June	15%	1,650
2 <sup>nd</sup>	15 <sup>th</sup> Sept	30%	3,300
3 <sup>rd</sup>	15 <sup>th</sup> Dec	30%	3,300
4 <sup>th</sup>	15 <sup>th</sup> Mar	25%	2,750

Note:

- W.e.f 1.4.2011 there is no difference in instalment due dates for all assessee.
- Education cess @ 3% should also be taken into consideration.

7.

(a) From the following data, calculate tax liability of ABC Ltd. by applying the provisions u/s 115 JB:

- Net profit as per profit and loss account ₹ 20,00,000.
- Proposed dividend (including Dividend Distribution Tax) ₹ 3,00,000.
- Depreciation charged in accounts ₹ 2,50,000.
- Transfer to general reserve ₹ 4,50,000.
- Provision for taxation debited to profit and loss account ₹ 1,50,000.
- Deferred tax credited to P&L Account ₹ 1,00,000.
- Agricultural income credited to P & L Account ₹ 50,000
- LTCG on sale of listed equity shares (Securities Transaction Tax paid) included in the net profit ₹ 75,000.
- Withdrawal from General Reserve ₹ 3,75,000.
- Donation to registered political party in cash ₹ 2,25,000.

**10 Marks**

(b) State the due date of installments of advance tax payable by all assessee other than assessee covered u/s 44AD.

**5 Marks**

**Answer:7.a.**

	Amount (₹)	Amount (₹)
Net profit as per P/L Ac	20,00,000	20,00,000
Add: Depreciation	-	2,50,000
Provision for taxation	1,50,000	1,50,000
Less: Deferred Tax	1,00,000	1,00,000
Agricultural Income	50,000	50,000
LTCG u/s 10(38)	75,000	-
Depreciation	-	2,50,000
Business Income	19,25,000	20,00,000

$$\begin{aligned} \text{Regular Tax @ 30\%} &= 19,25,000 \times 30.90\% \\ &= 5,94,825 \end{aligned}$$

$$\text{Mat u/s 115JB @ 19.055\%} = 20,00,000 \times 19.055\%$$

## Q & A\_MTP\_ Inter \_Syllabus 2016\_ June 2017\_Set 1

= ₹ 3,81,100

Whichever is higher = ₹ 5,94,825

Rounded off u/s 288B = ₹ 5,94,830

Note:

1. Donation to registered political party paid in cash is not deductible
2. LTCG is exempted u/s 10(38)
3. In absence of information, proposed dividend and general reserve are assumed that they are not taken into profit & Loss Account.

**Answer:7.b.**

All the assessee, who are liable to pay the advance tax shall pay the same, in four instalments during each financial year and the due date of each financial year and the due date of each instalment and the amount of such instalment shall be as specified in the table below;

Due date of Instalment	Amount payable
On or before the 15 <sup>th</sup> June	Not less than fifteen per cent of such advance tax
On or before the 15 <sup>th</sup> September	Not less than forty five percent of such advance tax as reduced by the amount, if any, paid in the earlier instalment.
On or before the 15 <sup>th</sup> December	Not less than seventy five percent of such advance tax as reduced by the amount, if any, paid in the earlier instalment.
On or before the 15 <sup>th</sup> March	The whole of such advance tax, as reduced by the amount or amounts, if any, paid in the earlier instalment or instalments.

**8. Answer any three question**

**3x5= 15 Marks**

- a) What are the due dates for filling return of income under Income Tax Act, 1961?
- b) What are the different kinds of assessments?
- c) Mention any five standards of ICDS.
- d) What is equalization levy?

**Answer: 8.a**

Due dates of filling of return of income under the Income Tax Act, 1961:

Assessee	Due Date of submission of return
A company	30 <sup>th</sup> September of the assessment year
Where the assessee is a person (other than a company whose accounts are required to be audited under any law)	30 <sup>th</sup> September of the assessment year
Where the assessee is a working partner of a firm, whose accounts are required to be audited any law	30 <sup>th</sup> September of the assessment year
Any other assessee	31 <sup>st</sup> July of the assessment year
In the case of a company which has entered into an international agreement and is required to furnish u/s 92E a report from an accountant	30 <sup>th</sup> November of the assessment year

**Answer: 8.b**

Although assessment is an important step, the term has not been defined in the Act, except that under section 2(8), it includes reassessment. However, generally it mean the whole procedure laid down under the Act for imposing liability upon the assessee. Under th Income Tax law, there are five major types of assessment as mentioned below;

1. Summary assessment under section 143(1),
2. Scrutiny assessment under section 143(3),
3. Best judgments assessment under section 144,
4. Income escaping assessment under section 147,

5. Assessment in case of search or requisition under section 153A.

**Answer: 8.c**

Any five Standards of ICDS are enumerated below;

1. ICDS-1 on "Accounting Policies"
2. ICDS-2 on "Inventories"
3. ICDS-3 on "Construction Costs"
4. ICDS-4 on "Revenue Recognition"
5. ICDS-5 on "Tangible Fixed Assets"

**Answer: 8.d**

In terms of recommendation of the aforesaid committee on Taxation on Taxation of E-Commerce, with effect from 1.6.2016, a new chapter VIII has been inserted to provide for as under:

1. Charge of Equalization levy: On and from the date of commencement of this chapter VIII, there shall be charged on equalization levy at the rate of six percent of the amount of consideration of any specified service received or receivable by a person, being a non resident from:
  - (i) A person resident in India and carrying on business or profession; or
  - (ii) A nonresident having a permanent establishment in India
2. When equalization levy is not chargeable : Under section 165(2) the equalization levy shall not be charged where;
  - (a) The nonresident providing the specified service has a permanent establishment in India and the specified service is effectively connected with such permanent establishment;
  - (b) The aggregate amount of consideration for specified service received or receivable in a previous year by the nonresident from a person resident in India and carrying on business or profession , or from a non resident having a permanent establishment in India, doesn't exceed One lakh rupees; or
  - (c) Where the payment for the specified service by the person resident in India, or the permanent establishment in India is not for the purposes of carrying out business or profession.