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Register Number:

Name of the Candidate:

DIPLOMA EXAMINATION, May 2015

(LAW OF TAXATION)

110. LAW OF INCOME TAX

Time: Three hours

Maximum: 100 marks

**Answer any SIX questions
All questions carry equal marks**

1. Define tax. Explain the nature and characteristics of Tax. Distinguish between direct and indirect taxes.
2. Explain the provisions of Income Tax Act, 1961 relating to the set-off and carry forward of losses.
3. State the circumstances in which income of other persons are included in the total income of an assessee.
4. What is capital gain? Enumerate the kinds of capital gains and point out differences between them under reductions?
5. Define salary and explain the incidence of income tax under the head salaries.
6. Briefly describe the powers and functions of the various authorities under the Income Tax Act, 1961.
7. Discuss the procedure for assessment of firms under the Income Tax Act.
8. What are the rules of set-off or carry forward and set-off of losses under the Income Tax Act?
9. Write short notes on any TWO of the following:
 - a) Previous year
 - b) Controlled companies
 - c) Tax deduction at source
 - d) Compulsory deposit scheme.
