Bachelor's Degree Programme (BDP)

ASSIGNMENT 2020-2021

Elective Course in Commerce ECO – 11: Elements of Income Tax

For July 2020 and January 2021 admission cycle



School of Management Studies Indira Gandhi National Open University Maidan Garhi, New Delhi -110068



School of Management Studies Indira Gandhi National Open University

Elective Course in Commerce ECO – 11: Elements of Income Tax ASSIGNMENT- 2020-21

Dear Students,

As explained in the Programme Guide, you have to do one Tutor Marked Assignment in this Course.

Assignment is given 30% weightage in the final assessment. To be eligible to appear in the Term-end examination, it is compulsory for you to submit the assignment as per the schedule. Before attempting the assignments, you should carefully read the instructions given in the Programme Guide.

This assignment is valid for two admission cycles (July 2020 and January 2021). The validity is given below:

- 1. Those who are enrolled in July 2020, it is valid up to June 2021.
- 2. Those who are enrolled in January 2021, it is valid up to December 2021.

You have to submit the assignment of all the courses to The Coordinator of your Study Centre. For appearing in June Term-End Examination, you must submit assignment to the Coordinator of your study centre latest by 15th March. Similarly for appearing in December Term-End Examination, you must submit assignments to the Coordinator of your study centre latest by 15th September.

TUTOR MARKED ASSIGNMENT

Course Code : ECO-11

Course Title : ELEMENTS OF INCOME TAX

Assignment Code : ECO-11/TMA/2020-21

Coverage : ALL BLOCKS

Maximum Marks: 100

Attempt all the questions:

1. What are the different categories into which the assesses are divided with regard to residence? (20) Give brief account of each of them?

2. What do you understand by the term 'Capital Gains' under Income Tax Act? How is Long term (20) Capital gain and Short term Capital gain computed?

3. From the following information of Mr. Sunil, computed the taxable income of house propetry: (20)

I.	Municiple Valuation	3,30,000
II.	Fair Rent	3,60,000
III.	Standard Rent under Rent Control Act	3,36,000
IV.	Unrealised Rent of previous year 2013-14 (Conditions of Rule 4 Satisfied)	30,000
V.	Rent realised in year 2019-20 from unrealised Rent of previous year 2013-14	24,000
VI.	House was let at Rs. 30,000 p.m.	
VII.	Rent Unrealised of the year 2019-20	30,000

4. From the following particulars of income of Mr. Anup, a Government Employee compute taxable income from salaries for the assessment year 2020-21:

I.	Basic Salary	78,000
II.	High Cost of Living Allowance	13,000
III.	Entertainment Allowance	11,200
IV.	Conveyence Allowance	6,000
V.	Family Allowance	6,000
VI.	Bonus	20,000

VII. Rent – free unfurnished house of which rental value is Rs. 6,000 p.m.

VIII. Anup has his own moter-cycle which is used by him both for private and official proposes. Employer paid Rs. 10,000 for its expenses

Mr. Anup spends 40% of entertainment allowance on the entertainment of Government officials. He contributes 12% of his salary in statutory provident fund. 80% of convenyance allowance was spent in performing duties. He got entertainment allowance Rs. 250 per month prior to 1-4-1980. As per Government rules, the licensing fee of house shall be equal to 10% of basic salary.

5. Write short notes on the following:

(4X5)

- a) Agriculture Income
- b) Pension
- c) Bond washing Transactions
- d) Capital Gain Account Scheme 1988