DT IMPORTANT QUESTIONS

Basic Concepts:

1. Cases where income of previous year assessed in the same year.

Residential Status and Taxability In India:

1. How the residential status of an individual determined.
2. Scope of Total Income according to Residential Status (**Section 5**)
3. Income deemed to accrue or arise in India (**Section 9**)

Agricultural Income:

1. Agricultural Income is exempt from Income Tax but IT Act indirectly collects tax on Agricultural Income.
2. Agricultural Produce used as a raw material in a manufacturing concern, how is it treated in accounts for the purpose of IT.
3. Computation of BI where an assessee growing Rubber, Coffee and Tea.

Exemptions:

1. **Sections 10A, 10AA, 10B, 10BA & 13A.**

Income from Salaries:

1. Tax treatment relating to Provident Funds.
2. **Section 17 & Rule 3.**

Income from House Property:

1. Condition for taxing income under this head – **Section 22.**
2. Income from HP along with other facilities – Taxable as Business Income [**Manohar Singh (1965) 58 ITR 592]**
3. Deemed Owner
4. Building constructed on Leasehold lands **(Section 22 & 56)**
5. Property owned by assessee but used by the firm in which he is a partner.
6. Property owned by HUF which is not a partner and used by firm in which members are partners.
7. Income from advertisement on Hoarding **[Mukherjee Estate Pvt. Ltd. 244 ITR 1 (cal.)]**

   Relevant Decisions in all the above cases
8. Recovery of Unrealised Rent.
9. Taxability of Receipt of Arrears of Rent – **Section 25B.**

Profits and Gains of Business / Profession:

1. Taxability of Revenue Subsidy.
2. Depreciation
3. Plant **Section 43(3).**
4. Rates of Depreciation for various Block of Assets.
5. Actual cost for claiming Depreciation – **Section 43 (1)**

6. Depreciation on Building and Motor car held for personal use put into business.
7. **Section 35** Concepts and Computations.
8. **Section 35ABB** Concepts and Computations.
9. **Section 36.**
10. **Section 37**
11. Expenditures / Payments expressly disallowed under IT Act.
12. Interest paid to Resident without TDS.
13. Allowability of Interest Paid on Partners Capital. – **Section 40(b).**
14. Remuneration to Partner – **Section 40 (b).**
15. Payments to Related Partners.
16. Payments exceeding Rs. 20000.
17. Deductions on Actual Payment 43B.
18. Income computed on accrual basis is no longer relevant for taxation of income.

    Relevant Decisions in all the above cases
19. Deemed Income.
20. Consequences of Exchange Rate fluctuations on Capital Assets – **Section 43A.**
21. Recovery of Bad Debts – **Section 43 D.**
22. "Principle of Mutuality". Discuss Taxability of a Club or a Mutual Concern.
23. **Section 44AA, 44AB, 44AD, 44AE & 44AF.**
24. Presumptive incomes in case of Non – Residents.
25. Speculation Business and Speculative Transactions.
26. **Sections 28 (va), 33AB, 35, 35ABB, 35AC, 35CCA, 35D, 35DD & 35DDA.**

Income from Capital Gains:

1. Practice Adequate Number of Problems and have the entire concepts clear.
2. Dividend Stripping.
3. Bonus Stripping.

Income from Other Sources:

1. Taxability of Gifts received by an assessee.
2. Deduction available for income from Other Sources.
3. Inadmissible Expenditures and deemed income.
4. Principles governing adjustment of intangible additions.

Clubbing of Income:

1. **Section 64.**
2. **Section 94.**

Set – off and Carry Forward of Losses:

1. Losses of closely held companies.
2. **Sections 72, 78 & 79.**

Deductions under Chapter VIA:

1. Complete Control of the chapter is required.

Rebates and Relief:

1. **Sections 88 & 89 (1).**
2. Termination includes Voluntary Retirement also – **G.V. Venugopal case.**

Taxation of Individuals:

Not required to study.

Taxation of HUF:

1. Partition of HUF.
2. **Decisions in this chapter.**

Taxation of Firm:

1. When will the partnership firm be assessed as Firm – **Section 184?**
2. What is meant by change in constitution – **Section 187?**
3. **Sections 185 & 188.**
4. Procedure for assessment when firm is dissolved or discontinued.

Taxation of Companies:

1. Company in which public are substantially interested.
2. De- merger
3. Amalgamation.
4. Minimum Alternate Tax.
5. Is Companies liable to pay Advance Tax on Book Profits?
6. In case Book Profits are deemed as Total Income, Explain the concept of B.P in the context of the power of A.O to examine its correctness.
7. Procedure for computation of MAT Credit – Along with Case Laws.
8. Tonnage Tax Scheme – Full control is required.

Taxation of Co- Operative Societies:

1. **Section 80P.**

Taxation of AOP:

1. Computation of Total Income and Tax Liability of AOP and Members of AOP

Assessment of Trust:

1. Anonymous Donation - **Section 115BBC**
2. Conditions for claiming Exemption u/s 11.
3. Circumstances in which exemptions 11 & 12 be with drawn – **Section 13.**
4. Payments deemed to be application of Income.
5. Accumulation of Income. Can it accumulate more than 15%
6. Corpus Donations.

7. Unable to apply minimum of 85% of Total Income. What is the remedy?
8. Prohibited / Restricted / Interested category of persons.
9. When income is deemed to be applied for the benefit of prohibited persons.
10. Are trusts liable for CG Tax on transfer of CA.
11. Difference between "Trust carrying on business" and " Property of Trust is business"
12. Conditions for Registration of Trust – **Section 12A.**
13. Can a religious trust get registered?
14. Are Charitable Trusts liable to Pay Wealth Tax?
15. Is Trust entitled for exemption under Wealth Tax Act if it loses exemption under the It Act?
16. Provisions of taxation of Oral Trust.

Taxation of Non-Resident and Authority for Advanced Rulings:

1. Business Connection.
2. Apportionment of Profit.
3. Taxability of BPO Transactions in India.
4. Representative Assessee of NR and Agent of NR.
5. Provisions in respect of Royalty and Fees for Technical Services received by NR from Government of India and an Indian Concern.
6. Computation of Income of Specified NR from specified source.
7. Taxability of NR Sports persons and Sports Associations – **Section 115BBA**.
8. **Section 115C – 1151.**
9. Advance Ruling.
10. Procedure adopted by AAR on Receipt of Application – Section 245R.
11. Rejection of application by AAR – **Section 245R(2)**.

DTAA:

1. DTAA and its impact.
2. DTAA can also be made between 2 associations which may be adopted for levy of tax – Discuss?
3. Unilateral Relief – **Section 91.**
4. Treaty Shopping.

Fringe Benefit Tax:

Full Control of the chapter is required.

Tax Planning:

Full Control of the chapter is required.

Transfer Pricing:

1. Legislative objective of bringing in the provisions relating to transfer pricing.
2. International Transaction **u/s 92B.**
3. Enterprises – **Section 92-92F.**
4. Associated Enterprises – **Section 92A.**
5. 5 Methods of Computing ALP.
6. Procedure for determination of ALP by the AO.
7. Duties of an assessee in relation to international transactions.

8. Consequences of non-compliance with regulation w.r.t international transactions.

Income Tax Authorities:

1. Power of Board u/s 119 of IT Act.
2. Provisions of IT w.r.t. discovery, production of evidence.
3. Powers of Income Tax Authority (ITA) to call for information – **Section 133.**
4. Power to remove Books during Survey – **Section 133A.**
5. Powers of ITA to collect certain information u/s 133B of the IT Act.

Assessment Procedure:

1. Have full control of the **Sections 139, 142, 143, 144, 144A, 145, 145A, 147-150 & 154.**
2. Powers of Authorized officer with regard to search and seizure.
3. Presumption which can be made in any books of account, document, money, bullion, jewellery is found in possession of a person in the course of a search
4. Constructive seizure and deemed seizure.
5. Rights of the Authorized Officer and the assessee with respect to retention of books of accounts – **Section 132(8).**
6. Powers of ITA **u/s 132A.**
7. New assessment procedure for search cases **Section 153A.**
8. Procedure of assessement in case of Undisclosed income not belonging to the asseessee but belongs to other person

Liability in Special Cases:

1. Provisions for assessment in case of succession of business – **Section 170.**
2. Assessment of Discontinued business – **Section 176.**

Appeals and Revisions:

1. Orders that can be appealed before the CIT (appeals) – **Section 246A.**
2. In an appeal filed against an order passed by AO u/s 271 (1) (iii) the CIT (Appeals) finds that the principles and natural justice have been violated and there fore sets aside the order with a direction to pass a fresh order. Discuss.
3. Powers of Appellate Authority to admit additional evidence,
4. The commissioner of Appeals cannot admit an appeal filed beyond 30days from the date of receipt of order by an assessee. Comment.
5. The first Appeal Authority has the power to stay demand. Discuss.
6. Filling of Memorandum of Cross- Objections before the Income Tax Appellate Tribunal (ITAT).
7. Recovering Tax by AO during pendency of appeal before ITAT.
8. The ITAT cannot amend its order. Discuss.
9. A case before the Appellate Tribunal cannot be dealt when there is a difference of opinion amongst the members of the Bench. Comment.
10. An appeal shall lie to the High Court against the order of the Tribunal. Discuss the statement's correctness or otherwise.
11. **M. Janardhan Rao 273 ITR 50(SC) – Important decision.**

12. Constitution and operation National Tax Tribunal. – **Don't study for May'08 Exam.**
13. Powers of the Commissioner in his reversionary orders **u/s 263 and 264.**
14. The CIT can revise an order during the pendency of an appeal before the first appellate Authority.

Settlement Commission:

Full Chapter needs to be studied.

TDS:

Full Chapter needs to be studied.

Advance Tax Collection and Recovery of Tax:

1. Circumstances under which assessee be treated as deemed to be in default.
2. Can interest be claimed on the amount refunded to the assessee on the bases of prior appellate order?
3. Waiver of interest levied **u/s 220.**
4. When does AO resort to a provisional attachment – **Section 28IB?**

Interest:

1. Interest u/s 234A / 234B / 234C are mandatory and cannot be waived under any circumstances – Discuss.

Refunds:

1. Can an assessee claim refund of tax paid even after the expiry of the prescribed period.

Penalties and Prosecutions:

1. Time limit for levying penalty – **Section 275.**
2. Penalty **u/s 271 (1) (C)** in case of intangible additions.
3. In the course of search operations **u/s 132,** a tax payer makes a declaration u/s 132(4) on the earning of income not disclosed. Can that state save the tax payer from a levy of penalty **u/s 271 (1) (c).**
4. Obligations on the part of certain persons to file the Annual Information Return (AIR) pursuant to **Section 285 BA.**

Wealth Tax Act, 1957:

1. **Sections 2(ea), 4, 5, 16A, 18, 19, 19A & 22**
2. **Schedule III.**
3. **Rule 3-20.**