

Q - 1 A] Select correct alternative and rewrite the sentence (Any 8)

(08)

1. In Which year is the income tax liability compute?

- a) Assessment year b) Previous year c) A local authority d) Calendar year

2. One who is liable to pay the income tax?

- a) Indian citizen b) Resident in India c) Any person d) An assessee

3. Income which accrue or arise outside India and also received outside India is taxable in case of :

- a) Resident only b) Not ordinary resident c) Both ordinary resident and NOR d) All the above .

4. Total income of a person is determined on the basis of his:

- a) Residential status in India b) Citizenship in India c) None of these d) Both of the above

5. Uncommuted pension received by a government employee is

- a) Exempt b) Taxable c) 1/3 is exempt d) None of the above

6. Compensation received on voluntary retirement is exempt under sec. 10(10C) to the maximum extent of

- a) Rs 2,40,000 b) Rs 3,00,000 c) Rs 5,00,000 d) None of the above

7. Municipal valuation of the house is Rs 1,00,000 fair rent Rs 1,20,000 and actual rent received or receivable is Rs 1,40,000 . The Gross Annual Value in this case shall be

- a) Rs 1,10,000 b) Rs 1,20,000 c) Rs 1,40,000 d) None of the above

8. Salary , bonus, commission or remuneration due to or received by a working partner from the firm is taxable under the head.

- a) Income from salaries b) Other sources c) Business income d) None of the above

9. Interest on capital or loan received by a partner from a firm is :

- a) Exempt u/s 10 (2A) b) Taxable as business and profession income
c) Taxable as income from other source d) None of the above

10. Short term capital gain arise on transfer of shares and unit held by the assessee from not more than

- a) 36 month from the date of acquisition
- c) 54 month from the date of acquisition

- b) 12 month from the date of acquisition
- d) None of the above

B] State whether the following statement is TRUE OR FALSE (Any 07)

(07)

1. Income means any receipt in cash.
2. Reimbursement of actual travelling expenses to an employee is income as per Income Tax Act.
3. Resident status of a person may change from years to years.
4. Foreign income of an ordinary resident is wholly taxable.
5. Deducted from gross annual value.
6. Deduction from gross annual value.
7. Depreciation is allowed in case of tangible assets only.
8. Reserved for bad debts can be deducted from profit of business.
9. Jewellery held as stock in trade is treated as capital gain purposes.
10. Goodwill of a business is treated as capital assets for capital gain purpose.

Q – 2 Mr. Sachin Abhyankar is an employee of Godrej Ltd. He furnishes the following information for the year ended 31st March, 2016.

(15)

- a) Basic salary Rs. 4,20,000 per annum
- b) Dearness Allowance Rs. 1,00,000 per annum
- c) Professional tax Rs.2,500 per annum
- d) Bonus received Rs.48,000 per annum
- e) Conveyance allowance received (Exempt u/s 10 Rs.800 per month) Rs.2,000 pm
- f) Interest received on Bank saving account Rs.3,000
- g) Interest received on Government securities Rs.7,000
- h) LIC premium paid by Mr. Sachin Abhyankar Rs.10,000 in cash
- i) He paid medical insurance premium of Rs.5,000 in cash

Compute his net taxable income for assessment year 2016-17.

OR

Q - 2 Mr. Chintan Chitale a severely physically disabled person (85%) is employed with Pidilite Industries. He furnishes the following information for the year ended 31st March, 2016. (15)

- Basic salary Rs.30,000 p.m.
- Dearness allowance at 20% of basic salary.
- Professional tax deducted at Rs.200 p.m.
- Bonus Rs.30,000.
- House rent allowance Rs.800 p.m. (fully taxable)
- Perquisite value of Gas, water and electricity Rs.2,500.

Compute the Income from salary of Mr. Chintan Chitale for the assessment year 2014-15.

Q - 3 Mr. Ganesh Shinde furnishes the following information of his income and investment for the previous year 2015-16. (15)

- Information regarding his House property.

Particulars	House I (let out) Rs.	House II (SOP) Rs.
Fair rent		
Gross Municipal valuation	90,000	60,000
Rent received	80,000	50,000
Municipal taxes	1,00,000	
a) paid by the tenant		
b) paid by the owner	5,000	
Interest (due but not paid) on Capital Borrowed for construction of House property	10,000	10,000
	20,000	20,000

- Other Information:

- He received interest from debentures in Tata Steel Ltd. Rs.25,000.
- He received dividend from UTI Rs.5,000.

Compute the net taxable income of Mr. Ganesh Shinde for the assessment year 2016-17.

OR

Q - 3 Mr. Kedar Patwardhan owns two house properties. Following are the details regarding these houses for the year ended 31-03-2016. (15)

- House Property I: self occupied.

- Annual value Rs.4,00,000.
- Municipal taxes paid Rs.20,000.
- Loan from ICICI Bank of Rs.15,00,000 for acquiring the house property in 2012.

4. Interest paid on the above loan Rs.1,80,000 for the year.

B. House Property II: let out

1. Fair rent Rs.3,25,000.
2. Actual rent received Rs.30,000 per month.
3. Municipal taxes paid Rs.18,000.
4. Collection charges paid Rs.500.
5. Interest paid on loan for construction of house property Rs.40,000.

Compute the Income from House property of Mr. Patwardhan for the assessment year 2016-17.

Q – 4 Mr. Rajaram Raje proprietor of RR and Co. provides you the following information for the year ended 31st March, 2016: (15)

Profit and Loss Account
for the year ended 31st March, 2016

Expenses	Rs.	Income	Rs.
To Salaries	1,50,000	By Gross Profit	5,07,000
To Bad debts written off	10,000	By Income tax refund (including interest Rs.2,000)	18,000
To Printing expenses	11,000	By UTI dividend	40,000
To Conveyance	30,000	By Gift from a friend	10,000
To General expenses	43,000		
To Sales tax penalty	9,000		
To Fire insurance premium	4,000		
To Wealth tax	6,000		
To Depreciation	20,000		
To Repairs and maintenance	8,000		
To Net profit	2,84,000		
Total	5,75,000	Total	5,75,000

Additional Information:

1. Depreciation as per income tax rules Rs.22,000.
2. General expenses include payment of labour charges for business Rs.23,000 paid in cash on 16-8-2015.
3. Salaries include salary to proprietor Rs.48,000.
4. Printing expenses include Rs.8,000 for printing of marriage invitation cards for his son.

You are required to compute his total taxable income for the assessment year 2014-15.

OR

Q – 4 Following is the Receipts and Payments A/c of Shri Munimji Chartered Accountant for the year ended 31st March, 2016. He maintains his accounts on cash basis. (15)

Receipts and Payments Account

Receipts	Rs.	Payments	Rs.
To Opening balance	69,000	By Motor car Expenses	24,400
To Consultation Fees	2,10,000	By Staff Salaries	36,000
To Audit Fees	3,20,000	By Drawings	20,000
To Gift from Client	10,000	By Books purchased	15,000
To Gift from father	5,000	By Computer purchased	18,000
To Honorarium for lectures given in Mumbai University	7250	By Stationary	22,000
To Royalty Recd. From publisher to tax workbook	15000	By Income Tax	9,000
To Bank interest	5000	By Wealth Tax	1,000
To Loan borrowed for purchase of computer	20000	By Service Tax	3,000
		By Gift to wife	50,000
		By Son's marriage Exp.	29,000
		By House furniture purchased	1,25,000
		By Municipal Tax of house	3,350
		By Gift given to income tax Officer's son for marriage	5,000
		By Sundry expenses	9,000
		By Closing balance	2,91,500
	6,61,250		6,61,250

Additional Information:

- One fourth of motor car expenses relate to his personal use.
 - Depreciation on car Rs. 25,000.
- Compute net taxable income for assessment year 2014-15.

Q-5 a) Define Person and give five examples of person from different category

(08)

b) What is Residential status ? what is the scope of tax on income earned by person who is Resident and ordinary resident of India ?

(07)

OR

Q-5 Write short note (Any 3)

(15)

- Gratuity U/s 10 (10)
- Calculation of depreciation U/s 36
- Deduction Under chapter VIA (any 3)
- Five taxable perquisites in Salary
- Any five exempted income from other sources