

- N.B.** 1. All Questions are compulsory carrying 15 marks each.
2. Figures to the right indicate full marks allotted to the question

Q.1 (A) State whether following statements are True or False (Any 8) (8)

1. A has two house properties. Both are self occupied. The annual value of both houses is nil.
2. Assessee means a person liable to pay tax on his income.
3. Interest on employer's contribution to statutory provided fund is exempt up to 10.5%.
4. Municipal tax is a deduction from Net Annual Value.
5. Advertisement expenses is allowed as a business expenditure u/s 37.
6. Dividend from Indian company is exempt.
7. Gratuity shall be fully exempt in case of government employee.
8. Capital Gain arises from the transfer of capital asset
9. Gift from relatives are exempted from tax.
10. Mediciam insurance premium is a deduction u/s 80 C.

(B) Match The Followings (Any 7) (7)

Column A	Column B
1. Infosys Technologies Ltd.	a. Income From Business And Profession
2. Depreciation As Per P & L A/C	b. Long Term Capital Assets
3. Person Of Indian Origin	c. Local Authority
4. Personal Assets	d. 30% of Net Annual Value
5. Malvany Gram Panchayat	e. Not Allowed As Deduction
6. Cost Inflation Index	f. Exempt
7. Standard Deduction Under Income From House Property	g. Company
8. Salary To Partner From Partnership Firm	h. Only First Basic Condition
9. Salary To MPs And MLAs	i. Not A Capital Assets
10. Agricultural Income	j. Association of Persons
	k. Income From Other Source

Q.2 Mr. Abhishek took voluntary retirement on 01.01.2016 after completing 20 years of service in a private company. He provides the following information for the year ended 31.03.2016.

- a) Basic salary Rs.50,000 p.m.
- b) Dearness Allowance at 25% of the basic salary
- c) House Rent Allowance received Rs.1,000 p.m. (exempt Rs.4,000)
- d) Voluntary Retirement Compensation received Rs.8,00,000 (exempt Rs.5,00,000)
- e) Gratuity received Rs.2,00,000 (fully exempt)

- f) Commuted pension received Rs.90,000 (1/3rd exempt)
 g) Uncommuted pension received Rs.5,000 p.m.
 h) Profession Tax paid Rs.2,500.

Calculate the Net Taxable Salary for A.Y.2016-17.

(15)

OR

Q.2 From the following Profit and Loss A/c of Mr.Rahul for the year ending 31.03.2016,
 Calculate income from Business.

Particulars	Rs.	Particulars	Rs.
To Office Salaries	15,000	By Gross Profit	1,30,000
To General Expenses	8,500	By Interest on Bank Deposits	11,700
To Interest on Capital	3,000	By Agricultural Income in India	1,000
To R.D.D	5,000		
To Depreciation	15,000		
To Advertisement	9,000		
To Fire Insurance Premium	1,200		
To Donation	5,000		
To Income Tax	4,000		
To Sales Tax	5,000		
To Penalty	3,000		
To Net Profit	69,000		1,42,700
	1,42,700		

Additional Information:

1. Depreciation as per income Tax Act was Rs. 10,000
2. General Expenses include Furniture purchase worth Rs. 2,500
3. Penalty paid is for contravention of MVAT Act, 2002
4. Advertisement includes Rs.2,500 as advertisement in a souvenir of a political party.

Q. 3 Mr. Harbhajan has occupied three houses for his own residential purposes, particulars of which are as follows:-

Particulars	House-I	House-II	House-III
Standard Rent	18,000	20,000	Not Applicable
Municipal Valuation	11,500	30,000	30,000
Fair Rent	15,000	25,000	35,000
Municipal Taxes	1,200	2,400	3,600
Repairs	2,000	Nil	4,200
Interest paid on loan taken against houses for meeting personal expenses	--	--	3,000
	2,200	2,500	--

Compute the income from house property for Mr. Harbhajan, for the assessment year 2016-17.

(15)

OR

Q.3 a) Miss Kajol purchased a residential house on 01-06-1979 for Rs.1,00,000. She incurred expenses of Rs. 50,000 towards cost of improvement on 02-07-1983. The fair market value of the house on 01-04-1981 was Rs 1,50,000. She sold the house on 10-10-2015 for Rs.30 lakhs. The cost inflation j index for F. Y.1981-82 is 100, for F. Y.1983-84 is 116 and for F. Y. 2015-16 is 1024. You are required to compute her Capital Gain for Assessment year 2016-17. (8)

Q.3 b) Miss. Sonal, a British citizen had the following income during the year ended on 31st March, 2016.

1. Income from house property in India	Rs.15,000
2. Income from property in Rome	Rs. 10,000
3. Interest from bank account in India	Rs. 1,200
4. Income from business in Bangladesh, being controlled from India	Rs. 16,000
5. Interest on bank account in U.S.A.	Rs. 11,000
6. Salary earned and received in Tokyo	Rs. 12,000
7. Income earned and received in London	Rs. 13,000
8. Dividend from British Company received in India	Rs. 17,000

Compute her Total Income for the assessment year 2016-17, if she is:

(i) A Resident (ii) A Resident but not ordinary Resident (iii) A Non-Resident.

Computation of Income for the assessment year 2016-17

(7)

Q.4 Miss Nikita is a U.S.A. citizen. She came to India on September 15, 2015 for a visit and was in India till 31st March, 2016. In earlier previous years, she is in India as under:

Previous Year	Days
2005-06	188
2006-07	190
2007-08	185
2008-09	200
2009-10	40
2010-11	300
2011-12	195
2012-13	185
2013-14	100
2014-15	200

Find out the residential Status of Miss. Nikita for the Assessment Year 2016-2017 assuming that she is not a person of India Origin.

(15)

OR

Q.4 Miss Minal Jain, Proprietor of M & Co. furnishes you the following information for the year ended 31-03-2016.

Profit and Loss Account for the Year ended 31st March, 2015

Debit	Rs.	Credit	Rs.
To Salaries	2,20,000	By Gross Profit	6,29,000
To Rent	60,000	By Interest on Saving bank.	6,000
To Printing Expenses	15,000	By Gift from father	51,000
To Advertisement Expenses	5,000	By Income from Mutual Fund	12,000
To Motor Car Expenses	80,000	By Winnings from Lottery	1,00,000
To Embezzlement by Employee.	11,000		
To Staff Welfare Expenses	75,000		
To Provision for Bad Debts	5,000		
To Depreciation	25,000		
To Net Profit	2,90,000		
Total	7,98,000	Total	7,98,000

Additional Information:

- (a) Depreciation as per Income Tax Rules Rs. 28,000.
 (b) Staff welfare expenses include Rs. 10,000 for medical treatment of an employee.
 (c) Rent is paid for her residential house.

You are required to compute her total Taxable Income for the Assessment Year 2016-17. (15)

Q.5 Short Notes (Any 3)

(15)

1. Pension
2. Basic Conditions u/s 6(1)
3. House Rent Allowance
4. Investment U/s 80C
5. Gross Annual Value

— The End —