

29/11/18

T4FM (Sem 2)

(110)

Time: 2:30 Hours

Marks:75

Note:

1. All questions are compulsory
2. Use of Simple Calculators is allowed

Q.1. Multiple choice Questions:  
(Attempt any 8 /10)

(8m)

1. Residential Status is to be determined for:
  - a) Previous year
  - b) Assessment year
  - c) Accounting Year
  - d) None of these
2. Income which accrue or arise outside India but are received directly into India are taxable in case of
  - a) Resident only
  - b) Both Ordinary Resident and Not Ordinary Resident
  - c) Non-resident
  - d) All the assesses
3. Income received in India.
  - a) Is taxable only for a resident
  - b) Is not taxable only for a non-resident
  - c) Is taxable for a resident, a resident but not ordinarily resident and non-resident
  - d) Is exempted in all cases
4. Salary received by Member of Parliament
  - a) Salary
  - b) Income from other sources
  - c) Income from business
  - d) Exempt income
5. Payment received by a college Lecturer from University for setting question papers
  - a) Salary
  - b) Income from other sources
  - c) Income from business
  - d) Exempt income

6. Municipal tax is deducted from

- a) Net Annual Value
- b) Gross Annual Value
- c) Municipal valuation
- d) None of the above

7. A house property with fair rent Rs. 1,20,000 is neither let out nor self – occupied throughout the previous year. The annual value shall be

- a) Rs. 1,20,000
- b) Nil
- c) Rs. 60,000
- d) None of the above

8. Export incentives received by an assessee is

- a) Exempt
- b) Taxable as business income
- c) Exempt up to certain limits
- d) None of the above

9. To be a long-term capital asset, a residential house property should be held for more than

- a) 12 months
- b) 24 months
- c) 36 months
- d) 60 months

10. Deduction u/s 80 C is allowed to the maximum of

- a) Rs. 50,000
- b) Rs. 1,50,000
- c) Rs. 1,00,000
- d) None of the above

Q 1. b. State whether the following statement is True or False:  
(Attempt any 7/ 10)

(7m)

1. The premium u/s 80 D can be paid by an individual, for his dependent brother.
2. The payment for insurance premium u/s 80 C can be made in cash.
3. Income under the head Income from Other Sources is taxable on due basis.
4. There will be long term capital gain. If Plant and Machinery is transferred after it is held for more than 12 months.
5. Dividend declared by an Indian Company is fully exempt in the hands of shareholders.
6. An assessee has borrowed money for purchase of a house and interest is payable outside India. Such interest shall be allowed as deduction, without any further conditions.
7. Gratuity shall be fully exempt in the case of employees of Central Govt. State Govt. and local authorities.
8. Pension received by government employee is exempt.



9. Goods and Service Tax paid is allowable expenses, under Income from Business and Profession.
10. Shares of listed company held for more than 36 months are termed as long term capital assets.

Q.2. a. Mr. Shahrukh gives particulars of his Income earned during the P.Y. 2017-18. He is working with a private company Red chillies Ltd. The income earned as follows: (15m)

- |                                                                            |                                            |
|----------------------------------------------------------------------------|--------------------------------------------|
| 1. Basic Salary                                                            | -Rs. 70,000 p.m.                           |
| 2. Dearness Allowances                                                     | -Rs. 50,000 p.m.                           |
| 3. Travelling Allowances                                                   | -Rs. 15,000 p.a. (Rs. 9,600 exempt)        |
| 4. Contribution to recognised provident fund both by employer and employee | - Rs. 20,000 p.m. (exempt Rs. 14,400 p.m.) |
| 5. Entertainment allowance                                                 | - Rs. 50,000 p.a.                          |
| 6. Professional tax paid                                                   | - Rs. 2,500 p.a.                           |
| 7. Taxable amount of perquisite                                            | - Rs. 25,000 p.a.                          |

He has earned following other Income also:

1. Interest on debentures received from TELCO Ltd. Rs. 15,000 p.a.
2. Interest from Public Provident fund Rs. 30,000 p.a.
3. Dividend from RIL Rs. 5,00,000
4. Winning from lottery Rs. 1,00,000

He has made contribution t :

1. Taken National Saving Certificate Rs. 20,000
2. Purchase mediclaim Insurance, Premium Rs. 15,000

Calculate the Taxable Income of Mr. Shahrukh.

OR

Q.2. b. Ms Pari is a Government employee retired on 1/1/2018 after 35 years of service. She gives the following information of his income. (15m)

- |                                                                            |                                         |
|----------------------------------------------------------------------------|-----------------------------------------|
| 1. Basic Salary                                                            | -Rs. 50,000 p.m.                        |
| 2. Dearness Allowances                                                     | -Rs. 55,000 p.m.                        |
| 3. Travelling Allowances                                                   | -Rs. 10,000 p.a. (Exempt Rs. 8,000)     |
| 4. House Rent Allowance                                                    | -Rs. 7,000 p.m. (Exempt Rs. 5,500 p.m.) |
| 5. Taxable other allowance                                                 | - Rs. 6,000 p.m.                        |
| 6. Gratuity received on Retirement                                         | - Rs. 8,00,000 (Exempt)                 |
| 7. Pension per month                                                       | - Rs. 15,000                            |
| 8. Amount Received on Recognised Provident Fund Maturity due to Retirement | - Rs. 12,00,000 (amount Exempt)         |
| 9. Amount spent on Books for employment                                    | -Rs. 5,000                              |
| 10. Profession Tax                                                         | - Rs. 1,800                             |

She owns a house in Delhi which has been rented on a monthly rent of Rs. 25,000.

The said property has a Municipal value Rs. 2,50,000

Fair Rent Rs. 2,80,000

Standard Rent Rs. 2,75,000

She has paid an interest of Rs. 30,000 on Loan taken for the property let out.

She has also paid Rs. 50,000 as principle amount for the loan taken.

She has paid Rs. 40,000 for his brother who is disabled @ 55% whom she takes care of.

Calculate Taxable Income for A.Y. 2018-19.

Q.3. a. Mr. Joginder who is 85% Handicapped gives you the information of his income for A.Y. 2018-19.

(15m)

Profit & Loss A/c for the year ended 31<sup>st</sup> March, 2018

Particulars	Rs.	Particulars	Rs.
To Salaries	1,20,000	By Gross Profit	6,25,000
To Rent	75,000	By Interest on Debentures	25,000
To Interest on Capital	1,00,000	By Dividend from foreign Co.	15,000
To Depreciation	70,000	By Gift from father	51,000
To Drawings	60,000	By Income from Agriculture	10,000
To Life Insurance Premium of Self	50,000		
To Insurance of Stock	40,000		
To Reserves for Doubtful Debts	10,000		
To Sundry Expenses	1,50,000		
To Net Profit c/d	51,000		
	7,26,000		7,26,000

- Salaries include Rs. 10,000 paid to son who is in 5<sup>th</sup> standard.
- Rent includes Rs. 5,000 for Rent of his own house property.
- Depreciation allowed as per Income Tax Rules is Rs. 60,000.
- Sundry expenses include Rs. 15,000 paid for donation to political party.
- Spent Rs. 30,000 as Tuition fees for school fees of his child.

Calculate the Taxable Income of Mr. Joginder for A.Y. 2018-19.

OR

Q.3. b. From the following profit & Loss A/c of Mr. Jignesh, is severely disabled. Compute his total taxable income for the Assessment Year 2018-19.

(15m)

Profit & Loss A/c for the year ended 31<sup>st</sup> March, 2018.

Particulars	Rs.	Particulars	Rs.
To Opening Stock	1,67,000	By Sales	5,20,000
To Purchases	4,50,000	By Closing Stock	1,52,500
To Office Salaries	35,500	By Income Tax Refund	
To Bad debts written off	12,500	(Including Interest Rs. 1,000)	7,500
To Advertisement	5,250	By Dividend from U.T.I.	25,000
To Fire Insurance Premium	2,250	By Lottery Price Received	55,000
To Conveyance	3,000		
To Interest on proprietor's Capital	12,500		
To General Expenses	27,500		
To Donation to NGO	2,500		
To GST penalty	2,000		
To Depreciation	15,000		
To Net profit	25,000		
	7,60,000		7,60,000

Additional information:



- General Expenses include Advance Income Tax Rs. 5,000 and Rs. 250 for purchase of lottery tickets.
- Depreciation allowable as per Income Tax Rule Rs. 12,500.
- Purchases include Rs. 40,000 paid for cash purchases which is disallowed by the income tax department Under Section 40 A (3) of Income Tax Act, 1961.
- Office Salaries include Bonus due but not paid Rs. 8250.
- He paid an amount of Rs. 15,000 as tuition fees for his son who studies in college.

Q.4. a. Mr. Sumeet who has 3 properties in Mumbai gives you the following particulars of his Income:

(15m)

a) Particulars	H1 LOP	H2 LOP	H3 SOP
1. Municipal Value	8,00,000	10,00,000	7,00,000
2. Fair Rent	7,50,000	9,00,000	7,50,000
3. Standard Rent	8,00,000	9,50,000	6,00,000
4. Actual Rent Received	12,00,000	15,00,000	-
5. Municipal Tax paid by owner	1,20,000	2,00,000	50,000
6. Interest on Loan: Paid	80,000	1,20,000	1,00,000
Outstanding	80,000	80,000	50,000
7. Repairs of House Property	50,000	-	-

b) Mr. Sumeet also had an urban land which he sold for Rs. 80,00,000 on 15/4/2017 which he had purchased for Rs. 15,00,000, on 15/4/2003. He has spent Rs. 4,00,000 in the year 2014-15 for levelling the ground.

c) i. He has contributed Rs. 40,000 for depositing in 5 years Fixed Deposit with State Bank of India.

ii. He has paid Rs. 2,00,000 as principle amount to Bank for the loan taken for the property.

Cost Inflation Index:

2017-18	272
2003-04	109
2014-15	240

Calculate the net taxable income for A.Y. 2018-19.

OR

Q.4. b. Compute the Income of Mr. Kaushik for the assessment year 2018-19, assuming that he is Resident and Ordinary resident or Resident but not Ordinary resident or Non – resident in India for the previous year 2017-18.

(15m)

	Rs.
1. Interest on company deposits in India	1,40,000
2. Income deemed to be earned in India	62,000
3. Income from business, situated in Japan and controlled in India	1,68,000
4. Salary received in India for services rendered outside India	1,84,000
5. Interest received from the Government of India (received Outside India)	3,20,000
6. Interest received from a foreign company outside India	1,40,000
7. Past untaxed profit of the year 2013-14 brought into India in May, 2017	2,20,000
8. Royalty received in India from a non-resident in respect of technology used by such person outside India	1,00,000
9. Pension from a former employer in India, received in Nepal	4,60,000

Q.5. a. Give list of Allowances under the head Income from Salaries.

(8m)

Q.5. b. Enumerate the allowable savings under section 80 C.

(7m)

OR

Q.5. c. Write Short Notes on: (Attempt any 3 out of 5)

(15m)

1. Deductions under section 24 on Income from House Property
2. Deductions under section 80D
3. Long Term Capital Assets under Income from Capital Gains
4. Exempt Incomes under the head Income from Other Sources
5. Disallowable expenses under the head Income from Business.

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