

- Note: 1. All Questions are compulsory  
2. Figures to right indicate full marks

Q.1 A) Multiple choice question:

1. Municipal Taxes paid by the owner is deducted from (5)  
a) Gross Annual Value                      b) Net Annual value                      c) Net income from house property
2. Pune university is assessed to income tax as  
a) An Individual                      b) An Artificial Juridical person                      c) A local Authority
3. Income earned & received outside India is taxable in case of  
a) Non-resident                      b) Resident & ordinary Resident                      c) None of the assesses
4. Gift received from brother Rs.1,00,000 is  
a) Taxable                      b) Exempt                      c) Exempt upto Rs.50,000
5. Capital gain arises out of transfer of  
a) Capital assets                      b) Any Assets                      c) Any Liability

B) Match the following columns.

Column 'A'	Column 'B'
i) Wealth Tax	i) Exempt U/S 10
ii) Dividend from India company	ii) Disallowed Business Expenditure
iii) Interest on housing loan taken after 1/4/99 acquisition	iii) Capital Assets
iv) House property	iv) Taxable Income from salary
v) Advance salary	v) Rs.1,50,000

C) State whether True/False.

1. The income earned Rs.10,1000 in U.S.A by Resident India is not Taxable in India (5)
2. Salary received to MP or MLA is taxable under income from salary
3. Assesse means a person liable to pays Tax on his Income.
4. Gift received from Employer to Employee is taxable under Income from salary
5. Standard deduction is 30% on NAV.

A) Mr. Sumit is owner of S & Co. furnish you the following information for the year ended 31<sup>st</sup> March 2014

Profit & Loss A/C for the year ended  
31<sup>st</sup> March 2014

Debit	Amt	Credit	Amt
To Salaries	1,80,000	By gross profit	8,90,000
To Conveyance	30,000	By Dividend from Indian companies	9,000
To Interest on loan	11,000	By Gift from father	51,000
To Interest on Owner capital	19,000	By Dividend from Co-operative Bank	10,000
To repairs	18,000		
To wealth Tax	3,000		
To Travelling Exp.	27,000		

To Depreciation	35,000	
To Life Insurance Premium	55,000	
To Staff Welfare	40,000	
To Advertisement	10,000	
To Net profit	5,20,000	9,60,000
	9,60,000	

#### Additional Information

1. Depreciation as per income tax rule Rs 40,000/-
2. Travelling Expenses include expenses for visiting his native place 8000/-

Calculate Income from business & profession.

OR

B) Mrs. Alka gives you the following information for previous year 2013-14

Particulars	House 1 (Self-Occupied)	House 2 (Letout)
1. Municipal Valuation (per month)	20,000	30,000
2. Rent Received (per month) (House No 2 was vacant for two month)	NIL	32,000
3. Municipal Taxes:		
a. Paid by owner	26,000	NIL
b. Paid by tenant	NIL	30,000
4. Other expenses	12,500	NIL
5. Interest on loan (Both loans taken on 1-4-2005)	1,60,000	1,44,000

Calculate Income from House property.

Q.3 A) Mr. Bhavesh is employed with Mumbai printers. He gives you the following information for the year ended 31<sup>st</sup> March 2014

Particulars	Amt
1. Basic Salary	6,00,000 per annum
2. Bonus	2,50,000 per annum
3. Entertainment Allowance	48,000 per annum
4. House Rent Allowance (Exempt HRA Rs.17,900)	1,20,000 per annum
5. Conveyance Allowance (Exempt U/S 10 (14) Rs.21,600)	24,000 per annum
6. Perquisite value of subsidized meal at workspace	24,000 per annum
7. Professional Tax paid	2,500 per annum

Calculate Income from Salary.

OR



B) Shri ram owns a residential house which he purchased on 25.06.1978 for Rs.1,50,000. He incurred expenses of Rs.50,000 towards cost of improvement on 26.08.1983 on residential house.

The fair market value of the house on 1.4.81 was Rs.2,00,000. He sold this house on 12.12.2013 for Rs.55,00,000. He purchase a new residential house for Rs.25,00,000 on 20.03.2014.

The cost of inflation index for financial year 1981-82 is 100 for financial year 1983-84 is 116 & for financial year 2013-14 is 939.

You are required to compute the taxable capital gain for assessment 2014-15.

Q 4 A) Mr. Amol a citizen of USA has been staying in India since 1992. He leaves India on 16<sup>th</sup> July 2013 on a visit to USA and returns on 4<sup>th</sup> January 2014. Determine his residential status for the previous year 2013-14. (15)

OR

B) Mr. Nitin has earned the following income during the previous year ended 31<sup>st</sup> March 2014

Particulars	Amt
Interest on Bank Account in USA	11,000
Interest on Bank Account in India	1,000
Income from House property in India	15,000
Income from House property in Rome	10,000
Income from House property in Sri Lanka controlled from India	16,000
Dividend from British company received in India	17,000
Income earned & received in London	13,000
Salary earned & received in Sydney	12,000
Amount brought in India out of past untaxed profit	20,000

Compute his total income for the assessment year 2014-15 assuming that

1. He is resident & ordinarily resident
2. He is resident but not ordinarily resident
3. He is non-resident.

Q.5 Short notes. (Any 3)

(i) Person (15)

(ii) Gift

(iii) Gratuity

Previous year:

Mega exemption under service tax.

Agriculture-Negative list.