

Q.P. Code: 30481

Duration: 2.5 hours

Marks: 75

Instructions:**All questions are compulsory.****Figures to right indicate full marks.****Use of simple calculator is allowed.**

Q1 a State whether True or False from the following (any 8) (8Mks)

1. Residential status does not depend upon citizenship.
2. Entertainment Allowance shall be fully exempt in case of employees of central government, state government and local authorities.
3. Capital Gain arises from transfer of any capital Assets.
4. The quantum of maximum deduction allowed u/s 80 C is Rs. 1,50,000.
5. Share of Income received by a member of HUF is fully taxable.
6. Deduction u/s 80 E is applicable for interest on Medi Claim
7. Any gift received by an individual from his brother Rs.100000 is fully taxable.
8. Expenses exceeding 60,000 paid in cash are disallowed.
9. Dividend received is exempt if it is received from cooperative bank.
10. Subletting will be taxable under the head income from house property.

Q 1 b Match the column (7 Mks)

Sr. No	Column A	Sr. No	ColumnB
1	Remittance in India	a	Individual
2	80 E	b	Agriculture Income
3	SOP	c	Long term capital gain
4	LOP	d	Not taxable
5	more than 36 months	e	Not a capital assets
6	Less than 36 months	f	Income from other sources
7	Mr A	g	Annual Value Nil
8	Personal Car	h	Interest on Education Loan
9	Salary to MP MLA	i	No restriction on interest
10	Exempt Income	j	Short term capital gain

Q2 Mr. Zen furnishes you the following information for the year ended 31st March, 2017.**(15 marks)**

Particulars	Amount
Basic Salary	4,00,000
Tax Deducted at Source:	2,000
Commission received	20,000
Dearness Allowances	800 (per month)
House Rent Allowance (exempt Rs 4800)	7,500
Personal Expenses paid by the company	750
Education Allowance (exempt Rs. 100 p.m)	300 per month

Q.P. Code: 30481

Bonus (but not received)	35,600
Taxable Car allowance	5,000
Professional Tax	2,500

Compute his Net Taxable Income from the head Salary for the Assessment Year 2017-18

OR

Q2. a

Mr Anil has earned the following income during the P.Y ended 31st March, 2017
(8 Mks)

Salary received in India	Rs. 35,600
Dividend from Indian Company	Rs. 51,500
Dividend from Pakistan	Rs. 56,400
Interest on Bank Account in London	Rs. 41,000
Professional Fees received in India	Rs. 11,000

Compute his total income assuming: he is resident and ordinarily resident and NRI

Q2 b

(7 Mks)

Mr Ram a citizen of USA has been staying in India since 1994. He leaves India on 16th July 2016 on a visit to USA and return on 4th January 2017. Determine his residential status for the A.Y 17-18. Give explanation for your answer.

Q3 . Mrs Mehta is the owner of two houses:

(15 Mks)

Particulars	SOP	LOP
Municipal Value	7,20,000	8,20,000
Fair Rent	6,90,000	7,80,000
Municipal taxes (outstanding)	50,000	67,000
Interest on housing loan (outstanding)	1,29,000	95,000
Rent received	-	8,05,000
Ground Rent	10,000	10,000
LOP house was vacant for Two month		

From the above information compute his income under the head income from house property for the AY 2017 – 18.

OR

Q3 a

(8 Mks)

Mr. Anil sold a residential flat at Borivali for Rs. 1,80,00,000 on 1-06-2016. The building was purchased for Rs. 4,04,000 on 1-12-1979. In the same year of purchase he made improvement of Rs. 50,000. Fair Market value of property as on 1-4-1981 was 8,50,000. On 31.08.2012 there was an improvement of Rs.2,00,000. He invested Rs.30,50,000 in purchase of a residential building in December 2016. Compute Taxable Gain for the assessment year 2017-18 if CII for 2016-17 is 1125 , CII for 1981-1982 is 100 and CII for 2011-2012 is 785.

Q.P. Code: 30481

Q3.b

(7 Mks)

Mr Krishna, submit the following particulars of his income for the assessment year 17 - 18

Particulars	Amount
Income from agriculture in India	28,000
Interest Earned on Fixed deposits (net of TDS 3200)	68,450
Lottery Prize (purchased ticket Rs.500)	45,500
Refund from Income tax department	4,500
Dividend from Indian Company	44,910
Interest form NSC	12,000

Compute his taxable income from other sources

Q4.

(15 Mks)

Mr. Kanani provides the following profit and loss account for the year ending 31st March, 2017.
From the following information compute total income of Mr. Kanani

Particulars	Rs.	Particulars	Rs.
To Electricity	5,00,000	By gross profit	1,534,000
To Rent	60,000	By U.T.I dividend	18,000
To printing and stationery	50,000	By Income from LIC Mutual fund	10,000
To advertisement	100,000	By gift from friend on occasion of marriage	34,000
To Entertainment	36,000	By Interest on NSC	6,000
To Motar car Expenses	60,000		
To Drawing	120,000		
To embezzelment by employee	14,000		
To staff welfare Expenses	140,000		
To Interest	60,000		
To Salary	140,000		
To Depreciation	70,000		
To Income tax	32,000		
To Net Profit	2,20,000		
	2,602,000		2,602,000

Additional Information:

1. Deprecation as per Income tax rules is Rs. 84 000
2. Staff welfare expenses includes Rs. 40,000 for his own medical premium.

Q.P. Code: 30481

3. 50% of the rent is paid for his residential house.
 4. Printing includes Rs. 5000 paid for printing marriage card for his daughter marriage.

OR

Q4. From the following Profit & Loss Account of Mr. Raj compute his total taxable income for the Assessment Year 2017-18 (15 marks)

Profit & Loss Account for the Year Ended 31st March, 2017

Pariticuars	Amount	Pariticuars	Amount
To Opening Stock	6,68,000	By Sales	2,450,000
To Purchases	20,58,000	By Closing Stock	610,000
To Office Salaries	150,000	By Income Tax Refund	15,000
To Bad Debts Written off	12,000	By Dividend from UTI	80,000
To Advertisement	21,500	By Lottery Prize received	125,000
To Fire Insurance Premium	15,000		
To Conveyance	12,500		
To Int. on Proprietor's capital	34,500		
To General Expenses	1,10,000		
To Sales Tax	10,000		
To Sales Tax Penalty	3,000		
To Depreciation	65,000		
To Net Profit	120,500		
Total	3,280,000	Total	3280000

Additional Information:

- General Expenses include Advance Income Tax Rs. 20,000 and Rs. 1,000 for purchase of lottery tickets.
- Depreciation allowable as per Income Tax Rules Rs.1 50,000
- Purchases include Rs. 1,80,000 paid for cash purchases exceeding the limit of Rs. 20,000 prescribed under section 40A(3) of Income Tax Act, 1961.
- Office salaries include Bonus due but not paid Rs. 33,000.

Q.P. Code: 30481

5. Mr.Raj paid premium for LIC Pension Policy Rs. 35,000 and paid Mediclaim in cash Rs. 10,000.

Q5.

1. Explain deduction u/s 80 U (8 Mks)
2. List of Income form other sources (7 Mks)

OR**Q5 Write Short note (any3)****(15 Mks)**

1. Long term Capital Gain
2. Deduction from Income from Salary.
3. Basic Condition for Resident and Ordinary Resident of India.
4. Agriculture Income.
5. Deduction under u/s 80 D
