

17/10/19  
**VCD ----- BBI Direct Tax Sem – III**

75 Marks / 2.30 Hrs

**Q. 1 a) Choose the correct option and rewrite the statements (Any 8) (8)**

1. Income Tax Act extends to -----

- a) Whole of India      b) India and Pakistan      c) Whole of Maharashtra

2. Income Tax is on -----

- a) Goods      b) Service      c) Income

3. Award received from the Government is -----

- a) Taxable      b) Exempt      c) Partly Exempt

4. Uncommuted Pension received by a Government employee is -----

- a) Exempt      b) Taxable      c) 1/3 Exempt

5. Share of profit received by a partner of partnership firm is -----

- a) Fully Exempt      b) Fully Taxable      c) Partly Taxable

6. The legal status of Ms. Rani Das is -----

- a) An Individual      b) A body Of Individual      c) A Sportsman

7. Personal 24 carat gold is ----- asset.

- a) Fixed      b) Capital      c) Current

8. Deduction u/s 80 D in respect of medical Insurance Premium is allowed to -----

- a) An Individual      b) Any Assesse      c) An Individual & HUF

9. Total Income of a person is determined on the basis of his -----

- a) Citizenship      b) Residential Status      c) Marital Status

10. Subletting House property Rent Taxable in -----

- a) Income from House Property      b) Income from Salary  
c) Income from other source

Q 1 b) State whether the following statement are True Or False (Any 7) (7)

1. Ex – gratia received from employer is Taxable as a salary .
2. When a property is occupied by the owner himself that property is called Let – out house property.
3. Previous year can be more than 12 months.
4. There are total Five Heads of Income.
5. Salary received by a member of parliament is taxable under the Head Income from salary.
6. Ground Rent is taxable under the Head Income from House Property.
7. Gift received by Doctor from patient is taxable under the Head income from profession.
8. Interest on Income TAX Refund is taxable under the Head Income from other sources.
9. Any sum received under key – man insurance policy is taxable.
10. Maximum Limit u/s 80 C is RS.150000.

Q 2. A) MR. Sagar, who is physically disable to the extent of 80%, work in a private company. He has provided the following particulars of his Income for the previous year ended on 31 st March 2019. (15)

1. Basic Salary Rs. 40,000 per months.
2. Dearness Allowance Rs.16, 000 per months.
3. House Rent allowance Rs.10,000 per months (Exempt u/s 10 Rs. 6000 per months )
4. Travelling allowance Rs 50,000 (Amount actually spent is Rs.38,000)
5. Perquisite value of accommodation is Rs. 35,000.
6. Bonus declared by employer during the year was Rs.15, 000.
7. Professional Tax paid by employee Rs.2, 500.
8. Employee's contribution to Provident Fund Rs.48, 000.

He also received the following:

1. Interest on Fixed Deposit with Bank of India Rs. 44,000.
2. Interest on Fixed Deposit with Post Office Rs 10,000.
3. Dividend from foreign company Rs.6,500
4. Gift from his sister Rs 51,000

During the year he paid Rs. 32,000 as Premium on his Life Insurance Policy.  
Compute his taxable Income for the Assessment year 2019-20.

OR

Q 2. Mr.Raja is the owner of Two House. He Provides you the information of these two (15)  
house for the year ended on 31 st March 2019 as Under :

- a) First house is Let-out with municipal valuation Rs. 3,00,000 p.a , Fair Rent Rs. 2,50,000, Standard rent Rs. 4,00,000 and actual Rent Rs. 30,000 p.m  
Municipal Tax Paid @ 10% on Municipal valuation. Interest on Housing Loan paid Rs. 50,000 and house was vacant for 2 months.
- b) Second House is Self- Occupied property with Municipal Valuation Rs.1,00,000 municipal tax paid Rs. 10,000 and interest on housing Loan Paid RS.45,000. The Loan was taken in 2014.
- c) He also received following income during the year :
  - 1 Interest on Fixed Deposit Rs. 1,60,000
  - 2. Dividend from TATA Company Rs. 40,000
  - 3. Interest on Post Office Saving a/c Rs. 15,000
  - 4. Dividend from Co- Operative Bank Rs. 10,000
- d) He also Deposited Rs.1,20,000 in Public Provident Fund during the previous year.

You are required to calculate taxable income for the Assessment year 2018-19

Q 3. Mr.Ramesh provides the following particulars of Asset transferred by him during (15)  
the previous year. His Income from Capital Gain chargeable to tax for Assessment  
year

2019-20.

A residential house in Mumbai was purchased on 12<sup>th</sup> December, 1995 at

A cost of Rs. 18, 00,000. Fair Market Value of residential house on 1<sup>st</sup> April  
2001 was Rs. 25, 00,000.

The cost of improvement incurred by him was as follows:



Financial Year	Rs.
1999 – 2000	2, 00,000
2003 – 2004	3, 27,000
2009 – 2010	3, 70,000
2014 - 2015	8, 40,000

He sold the above house on 19<sup>th</sup> March, 2019 for Rs. 1,60,00,000.

He incurred transfer expenses of Rs. 3, 00,000 on the sale transaction.

He purchased New residential house in Virar for Rs. 40, 00,000 on 28<sup>th</sup> March, 2019

He Purchase 3 year's bonds issued by Rural Electrification Corporation (REC) for Rs. 12, 00,000 on 29<sup>th</sup> March 2019.

Cost Inflection Index are as follows :

Financial Year	Cost Inflation Index
2001 – 2002	100
2003 – 2004	109
2009 – 2010	148
2014 – 2015	240
2018 – 2019	280

OR

**Q 3.** Mr.Rohan provides the following information for the previous year ended 31<sup>st</sup> March (15)  
2019. You are required to compute his Total Taxable income for Assessment  
Year 2019 – 20.

Profit and Loss Account for the year ended 31<sup>st</sup> March, 2019

Particular	Rs	Particular	Rs
To Printing	20,000	By Gross Profit	8,50,000
To General Expenses	25,000	By Income Tax Refund	8,000
To Interest on Capital	55,000	By Dividend from U.T.I	35,000
To GST Penalty	23,000	By Interest on Saving Bank A/C	5,000
To Income Tax	49,000	By Amount received from LIC for Matured insured Policy	15,000
To Office Rent	26,000		
To Deprecation	30,000		
To Salaries	1,20,000		
To Advertising	9,001		
To Net Profit	5,55,999		
	<b>9,13,000</b>		<b>9,13,000</b>

**Additional Information:**

Salaried include Rs. 55,500 for Medical treatment of Mr. Rohan dependent brother, who is Person with server physical disability (89% )

Q 4. Mr .Sam an Australian Citizen come to India for the first time on 1<sup>st</sup> April,2014 (15)

And started a Business in Mumbai. He went out of India on 1<sup>st</sup> April, 2018 and Come back to India on 1<sup>st</sup> January,2019 and was in India thereafter. Find out his Residential Status for the assessment year 2019-20.

Or

Q 4. Mr. Vishal furnishes you the following particulars of Income earned by him during (15) the previous year ended on 31<sup>st</sup> March,2019. Compute his Gross Total Income for the Assessment year 2019-20 assuming that he is :

1. Resident and ordinarily Resident
2. Resident but not Ordinarily Resident
3. Non – Resident

Particular	Rs
1. Income from business in Delhi, Controlled from London.	2,00,000
2. Interest on Debentures of Indian Company received in Japan.	2,20,000
3. Rent from Property in France received in Mumbai.	2,40,000
4. Interest on Bank Account in Dubai	1,20,000
5. Income from Agriculture in Srilanka	1,40,000
6. Income from business in Nepal controlled from India	1,60,000
7. Salary earned and received in Singapore	1,80,000
8. Past untaxed profit earned in UK brought to India during the previous year	3,00,000

**Q 5 . a) Explain the Basic Condition & Additional Condition of Residential Status. (08)**

b) Explain the term person with suitable example. (07)

**OR**

**Q 5 Write a Short Note : (any 3) (15)**

- a) Deduction u/s 80 E
- b) Previous year
- c) Capital Asset
- d) Gratuity
- e) Taxable Perquisite