

VCD-07/03/2020

BB1

Class : SYBBA Sem III

Sub: Taxation Marks : 75

Duration = 2 ½ Hours

Q -1 A] State whether the following statement is True or False and rewrite the sentence.(Any 08)  
(08)

1. Interest credited to Public Provident Fund is exempt up to Rs. 1,00,000.
2. Dividend from Co-operative society is exempted from tax.
3. Unrealized rent is deducted from net annual value.
4. Commuted pension received by government employee is exempt from tax.
5. An Indian company is always resident in India.
6. Agricultural income from Rajasthan is taxable.
7. Mediclaim insurance premium must be paid by cross cheque
8. Interest on debentures from Indian company is fully exempt.
9. House property used for own residence is called as Deemed to be let out property.
10. Bonus received is taxable as income from salary.

B] Match the following (Any 07)

(07)

Group "A"

Group "B"

- |                                    |                              |
|------------------------------------|------------------------------|
| 1. Standard deduction              | a] Taxable income            |
| 2. Advance salary                  | b] Winning from card game    |
| 3. Handicapped assessee            | c] 30 % of Net Annual Value  |
| 4. Interest on Educational loan    | d] Deduction U/ s 80 U       |
| 5. Casual income                   | e] Deduction U/s 80 E        |
| 6. Resident of India               | f] Exempted Income           |
| 7. Dividend of Indian Company      | g] Income from Business      |
| 8. Gratuity                        | h] 182 days or more in India |
| 9. Discount Received               | i] Income from other sources |
| 10. Salary to Member of Parliament | j] U/s 10 (10)               |

Q - 2 Mr. Arjun gives you following information for previous year 2018-19:

(15)

Particulars	House I (self occupied)	House II (let out)
Fair rent (per month)	20,000	20,000
Municipal valuation (per month)	24,000	24,000
Rent received (per month)	Nil	25,000
House II was vacant for 3 months		
Municipal taxes paid by owner	25,000	25,000
<b>Other Expenses:</b>		
Ground rent	6,000	6,000
Interest on Borrowed Capital (loans taken on 1-4-2009)	2,00,000	2,00,000
<b>Other Information:</b>		
Rent received from hiring of Machinery	-	4,00,000
Repairs to Machinery	-	10,000
Medical claim insurance paid by cheque for his dependent mother (Senior citizen)	-	20,000

Compute his taxable income for the assessment year 2019-20.

OR



Q – 2 Mr. Vijay proprietor of V and Co. furnishes you the following information for the year ended 31-03-2019: (15)

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

Debit	Rs.	Credit	Rs.
To Salaries	3,60,000	By Gross profit	7,65,000
To Salary to Proprietor	24,000	By Dividend from bank of India	8,000
To Office expenses	18,000	By Dividend from N.K.G.S.B. Co-operative Bank Ltd.	2,000
To Staff welfare	30,000	By interest on fixed deposit with Bank of India	12,000
To Wealth tax	3,000		
To Provision for bad debts	5,000		
To Medical claim premium	18,000		
To Depreciation	19,000		
To Life insurance premium	30,000		
To Net profit	2,80,000		
Total	7,87,000		7,87,000

**Additional Information:**

- Depreciation as per income tax rules Rs.21,000.
  - Medical claim premium was paid in cash.
  - Life insurance premium includes Rs.10,000 paid for his daughter.
- You are required to compute his total income for the assessment year 2019-20.

Q-3 Shri Inamdar took voluntary retirement on 1<sup>st</sup> January, 2018 from a Private Bank after completing 26 year and 11 months of service. He furnishes you with following information: (15)

Basic salary: Rs.2,800 p.m.

Dearness allowance: 128% of basic.

Conveyance allowance: Rs.900 p.m. (Actual conveyance expense incurred Rs.600 p.m.)

Gratuity: Rs.1,29,200 (Exempt U/s 10(10) Rs. 89,200)

Commuted pension: Rs.67,500 (Exempt U/s 10(10A) Rs. 50,000)

Leave Encashment:10,000 (Fully Taxable)

Uncommuted pension: Rs.2,500 p.m.

Voluntary Retirement compensation: Rs.8,72,000 (Exempt Rs.5,00,000)

Profession tax paid: Rs.3,000.

After retirement he delivered lectures as guest faculty in Indian Institute of Banking, for which he received Honorarium of Rs.22,000.

Compute his taxable income from salaries for the assessment year 2019-20.

OR

Q – 3 Compute Business income of Mrs. Lobo from the following trading, P / L A/c for 31-03-2019. (15)

Particulars	Rs.	Particulars	Rs.
To Purchases	80,000	By Sales	2,94,000
To Office expenses	25,000	By Goods withdrawn at	



To Salary to Staff	35,000	market price (Cost	
To Income Tax	21,000	Rs.25,000)	32,000
To Advertisement	35,000	By I.T. Penalty refund	3,000
To Salary to Proprietor	30,000	By Excise penalty refund	2,000
To Salary to son	30,000	By Excise duty refund	1,000
To Depreciation	30,000		
To Bad debts	10,000		
To Net Profit	36,000		
Total	3,32,000	Total	3,32,000

1. Purchases includes Rs.25,000 paid for goods purchased from Mr. Aanad (Supplier) on 15-09-2018 for personal purpose.
  2. Reasonable salary of son Rs.20,000.
  3. Depreciation as per income tax amounts to Rs.15,000.
- Compute income from Business profession for Assessment Year 2019-20.

Q – 4 Miss Chilly a foreign national furnishes the following information of her income earned during the year relevant to A. Y. 2018-19 (15)

- |   |          |
|---|----------|
| 1. Income from property in Rome received in India             | 1,000    |
| 2. Dividend from shares from foreign companies                |          |
| a] Received abroad  | 2,000    |
| b] Received in India  | 3,000    |
| 3. Profit from business in Mumbai managed from USA            | 4,000    |
| 4. Income from House Property in India                        | 5,000    |
| 5. Interest on Bank account in London                         | 6,000    |
| 6. Income earned in past but brought in India during the year | 7,000    |
| 7. Income from Business in Singapore control from India       | 50,000   |
| 8. Income from business in India but received in France       | 1,00,000 |
| 9. Dividend from American company received in India           | 22,000   |
| 10. Interest on Bank account in France                        | 25,000   |
| 11. Salary earned and received in France                      | 1,50,000 |

OR

Q - 4 During the previous year 2018-19 Mr. Suraj a foreign citizen stayed in India for 180 days. Determine his residential status for the assessment year 2019-20 on the basis of following information: (15)

1. He did not come to India in the previous years 2017-18 and 2016-17.
2. During 2014-15 he was present in India for 365 days.
3. He was in Hong Kong during 2015-16

Q – 5 a] Explain conditions for Residential status as per Income Tax Act 1961 ? (08)  
b] Give seven exempted income from tax under Income Tax Act 1961 ? (07)

Q – 5 Write short note (Any 3) (15)

1. Gratuity U/s 10 (10)
2. Calculation of depreciation U/s 36
3. Deduction Under chapter VIA (any 3)

4. Five taxable perquisites in Salary
5. Any five exempted income from other sources

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