

Q. P. Code: 30494**[Time: 2½ Hours]****[Marks:75]**

Please check whether you have got the right question paper.

- N.B:
1. All questions are compulsory with internal choice.
 2. Figures to the right indicate full marks.
 3. Working notes form a part of answer.
 4. Use of simple calculator is allowed.

Q1.**A. Multiple choice questions: (Attempt any 8)****08**

1. A co-operative society is treated under income tax laws as _____.
(company/association of person/body of individual/an artificial judicial person)
2. Residential status is to be determined for _____.
(Previous year/Assessment year/ Accounting year)
3. The total income of a person is determined on the basis of _____.
(residential status/ citizenship /both of these)
4. Deduction under section 80DD shall be allowed upto _____.
(Rs.75,000/Rs. 125,000/actual expenditure)
5. The qualifying amount of preliminary expenses can be claimed as deduction over period of _____years.(4/5/8/10)
6. Deduction u/s 54 is available to _____.
(Individual/HUF/Individual and HUF/ All assessee)
7. For non-government employee governed by the Payment of Gratuity Act, 1972, the maximum monetary limit for exemption is _____.
(Rs.500,000/Rs.350,000/ Rs.10,00,000/ No limit)
8. The maximum quantum of deduction by way of interest on money borrowed for construction of self-occupied house property is _____.
(Rs.150,000/ Rs.30,000/ Rs.200,000/Rs.100,000)
9. The deduction under Section 80 E is allowed for repayment of interest to the extent of _____.
(Rs.50,000/Rs.100,000/Actual interest paid during the year)
10. A club is treated under income tax laws as _____.
(company/association of person/body of individual/an artificial judicial person)

Q. P. Code: 30494**B. State whether the following statements are true or false. (Attempt any 7) 07**

1. Maximum limit of deduction under section 80C and 80CCC is Rs.200,000.
2. Lunch facility provided by employer is a taxable perquisite.
3. Municipal tax paid by owner only is allowed as deduction under section 24.
4. Gross Annual Value of deemed to let out property is considered as NIL.
5. Transfer includes compulsory acquisition under Income tax Act.
6. Municipal tax is allowed as deduction from gross annual value only on paid basis.
7. Amount spent on entertainment can be claimed as deduction under section by all assessee.
8. Profession tax is allowed as deduction on accrual basis.
9. Receipts of non-compete fees are treated as income under 'Profits and Gains of Business or Profession'.
10. Personal effects include jewellery.

Q2.**15**

Mr. Yang is working in Chung Ltd. and has given the details of his income for the previous year 2016-17. Compute the gross salary from the details below:
(Assessment Year 2017-2018)

Particulars	Rs.
Basic salary per month	100,000
Dearness allowance per month (50% is for retirement benefits)	80,000
Commission as a percentage of turnover	1%
Turnover during the year	5000,000
Bonus	400,000
Gratuity (Received during service)	250,000
Own contribution to Recognised Provident fund	200,000
Employer's contribution to RPF (exempt Rs.207,600)	20% of basic salary
Interest accrued in the RPF @ 13% p.a. (exempt Rs.95,000)	130,000

OR**Q2.****15**

Ms. Priyadarshini purchased a house property for Rs.15,00,000/- in October, 1975. She constructed a first floor during the financial year 1986-87 for Rs.550,000/-. She made a further improvement in the financial year 1992-93 for Rs.800,000/-. She constructed a second floor during the financial year 2003-2004 for Rs.1200,000/-. She sold the property on 1.2.2017 for Rs.350,00,000/-. She paid a brokerage of Rs.50,000/- for the sale transaction. Fair market value of the property as on 1.4.1981 was Rs.1600,000/-. Investment in new house property was Rs.2500,000/- on 10.03.2017. Compute the capital gains for the Assessment year 2017-18.
Cost of Inflation Index: F.Y. 1981-1982=100; F.Y.1986-87=140; F.Y. 1992-93=223; F.Y.2003-2004=463; F.Y.2016-17=1125

Q. P. Code: 30494**Q 3.****15**

Mrs. Pranita is an owner of a residential house property known as “Ashirwad” at Mulund. The house was occupied by three tenants. The other particulars tenant wise are stated here for the year ended 31st March 2017.

Particulars	1 st Unit	2 nd Unit	3 rd Unit
	Tenant 1	Tenant 2	Tenant 3
Gross rateable value	12,000	14,000	15,000
Fair Rent	9,000	15,000	16,000
Actual Rent received	11,400	10,800	18,000
Municipal tax paid	3,240	3,780	4,050
Expenses on repair	1,000	NIL	NIL
Expenses on collection of rent	NIL	500	NIL

The repair cost of the first and the second unit is to be borne by the tenants themselves. Owner, Mrs. Pranita is to bear Municipal taxes only in respect of the 1st unit, the municipal taxes of the 2nd and 3rd unit has been reimbursed by tenant 2 and tenant 3 respectively to the owner.

Compute the income from house property of Mrs. Pranita for the Assessment year 2017-18.

OR**Q 3.****15**

From the following information of Mr. Jay for the previous year 2016-17, compute the Gross Total Income for the assessment year 2017-2018, as if he is a –

- Resident and ordinarily resident
- Resident and not ordinarily resident
- Non-resident

Particulars	Rs.
1. Income from business in Dubai controlled from London	50,000
2. Rent from House in UK received in Spain	60,000
3. Amount brought to India out of past untaxed profit earned in New Zealand	70,000
4. Income from agricultural land in Japan received in India	90,000
5. Dividend from German company received in London	80,000
6. Royalty from a company in Indonesia, received in Russia	100,000
7. Interest credited by HSBC bank, New York branch	110,000
8. Income from profession in Srilanka, received in Bhutan (profession set up in Srilanka)	120,000
9. Salary earned received in Saudi Arabia	200,000
10. Dividend from Indian company received abroad	50,000

Q4.**15**

Mr. Sawant who is a physically disable person (50% disability) as certified by medical authority, is employed with Ritz College of Commerce. He furnished the following information for the year ended 31st March, 2017.

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Particulars	Rs.
Basic Salary	10,000 per month
DA	3,500 per month
Arrears of salary (not taxed earlier)	10,000
Medical expenses reimbursed	12,000
Leave salary received	14,000
Examinership fees from college	2,000
Fees for setting T.Y. B.Com Papers for Nagpur University	4,000

Royalty received from Marvel Publications for writing on accountancy Rs.20,000/-

Expenses incurred for writing manuscripts of this book Rs.4,000/-. Profession tax paid - Rs.2000/-.

Compute taxable income of Mr. Sawant for the Assessment Year 2017-2018.

OR**Q4.****15**

Mr. Ravi owns a shampoo factory at Nagpur. Following is the Profit and Loss Account prepared by him for the accounting year 2016-2017.

Particulars	Rs.	Particulars	Rs.
To Sales Tax (incurred during the year)	2,000	By Gross Profit	75,000
To Advertisement	5,000	By House Property income	5,000
To Bonus	8,000		
To Commission	2,000		
To Depreciation	6,000		
To Donation National Defence Fund	1,000		
To Embezzlement by an employee	2,000		
To General Expenses	5,000		
To Salary to staff	10,000		
To Office expenses	5,000		
To Discount to Retailers	3,000		
To Sundry Expenses	5,000		
To Net Profit	26,000		
	80,000		80,000

Compute his business income for the assessment year 2017-2018. Further Information:

1. Sales tax paid during the year Rs.400.
2. Total bonus paid during the year was Rs.8000 debited in the books and Rs.11,000 provided for in the preceding year but paid in the current year.
3. Office expenses include Rs.1050 paid as bribe.
4. General expenses include Rs.1,000/- being the municipal taxes in respect of house property.

Q. P. Code: 30494**Q5.**

- State any eight incomes chargeable to tax under the head 'Profit and gains from Business or Profession'
- Define Capital Assets under section 2(14).

08**07****OR****Q5. Write short notes on: (any three)****15**

- Perquisite
- Resident and Ordinarily resident
- Deemed to be let out house property
- Deduction under section 80 C
- Agricultural Income
