

Class:- 84BAF Sem III

Sub:- Taxation

Duration :- 2½ Hou

VCD - 23/10/19

Marks :- 75

Note : All questions are compulsory

Figures at right indicate full marks

Q – 1 A] Select correct alternative and rewrite the sentence (Any 8)

(08)

1. Total income of a person is determined on the basis of his:
a] Resident status in India b) Citizenship in India c) None of these
2. Municipal valuation of the house is Rs.1,00,000 fair rent Rs.1,20,000, standard rent RS.1,00,000 & actual rent received or receivable is Rs. 1,40,000. The Gross Annual Value in this case shall be
a] Rs.1,10,000 b) Rs.1,20,000 c) Rs.1,40,000
3. Which of the following tax is allowed as a deduction while computing the business income?
a] Wealth tax b) Income tax c) Goods and service tax
4. Gift received by an individual Rs.70, 000 from his Mother shall be.
a] Fully Exempt b) Exempt up to Rs.50,000 d) Fully taxable
5. Deduction u/s 80 U in case of person with disability is allowed to
a] Any individual who is citizen of india b) an individual who is resident of india
c] any individual assessee
6. Standard deduction is calculated as ____
a) 30 % of Reasonable Letting Value b) 30 % of Gross Annual Value
c) 30 % of Net Annual Value
7. Income earned during _____ period is taxed.
a] Assessment Year b] Previous year c.] Financial Year
8. Salary received by member of parliament is ____
a] Salary b] Income from other sources c] Income from business
9. Agricultural income from outside India is ____
a] Exempted from tax b] Taxable for non-resident only c] Income from other sources
10. Municipal tax is deducted from ____
a] Net annual Value b] Gross Annual Value c] Municipal valuation

B] State whether the following statement is TRUE / FALSE and rewrite the sentence (Any 7) (07)

1. Deduction u/s 80C is allowed from gross total income.
2. Uncommuted pension received by a govt. employee is exempt.

3. Agricultural income from Rajasthan is taxable.
4. Medici claim insurance premium must be paid by cross cheque
5. Interest on debentures from Indian company is fully exempt.
6. House property used for own residence is called as Deemed to be let out property.
7. Bonus received is taxable as income from salary.
8. Interest on Proprietors capital is allowed as business expense.
9. Interest on Debentures of Indian company is taxable income.
10. The limit U/s 80 CCC is upto Rs. 1,00,000.

Q – 2 Mr. Sachin Abhyankar is an employee of Godrej Ltd. He furnishes the following information for the year ended 31st March, 2019. (15)

- a) Basic salary [Net of profession tax and T.D.S.]
1-04-2018 to 31-11-2018 Rs.24,000 per month
1-12-2018 to 31-03-2019 Rs.30,000 per month
- b) Tax deducted at source
1-04-2018 to 31-11-2018 Rs.1,000 per month
1-12-2018 to 31-03-2019 Rs.2,000 per month
- c) Professional tax Rs.2,500 per annum
- d) Bonus received in Oct. 2018 Rs.48,000 per annum
- e) Conveyance allowance received (Exempt u/s 10 Rs.800 per month) Rs.2,000 pm
- f) Dearness allowance @ 65% of basic salary
- g) Loan from employer for daughter's marriage Rs.1,00,000
- h) Interest received on Bank saving account Rs.3,000
- i) Interest received on Government securities Rs.7,000
- j) LIC premium paid by Mr. Sachin Abhyankar Rs.10,000 in cash
- k) He paid medical insurance premium of Rs.5,000 by cheque

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

OR

Q – 2 Mr. Ganesh Shinde furnishes the following information of his income and investment for the previous year 2018-19. (15)

- a) Information regarding his House property.

Particulars	House I (let out) Rs.	House II (SOP) Rs.
Fair rent	90,000	60,000
Gross Municipal valuation	80,000	50,000
Rent received	1,00,000	
Municipal taxes		
a) paid by the tenant	5,000	
b) paid by the owner	10,000	10,000
Interest (due but not paid) on Capital Borrowed for construction of House property	20,000	20,000

Other Information:

1. He received interest from debentures in Tata Steel Ltd. Rs.25,000.
2. He received dividend from UTI Rs.5,000.
3. He paid premium of Rs.25,000 towards approved pension plan of LIC of India. Compute the net taxable income of Mr. Ganesh Shinde for the assessment year 2019-20.

Q – 3 Mr. Amol had the following incomes during the previous year 2018-19. (15)

1. Professional fees received in India for three months 39,000
2. Payment received in UK for services rendered in India 28,000
3. Income from business in Bangladesh being controlled from India 17,000
4. Income from agriculture in Japan 16,000
5. Interest received in Paris in respect of securities in German companies 25,000
6. Amount brought into India out of past untaxed profits earned in Germany 34,000
7. Dividend on shares from Indian companies
 - a. Received in India 10,000
 - b. Received Abroad 15,000
8. Profit from business in Mumbai controlled from Karachi. 25,000
9. Rental Income from property in New York deposited by tenant in a foreign branch of Indian Bank. 25,000
10. Pension from employer in India received in Mauritius 60,000
11. Income from Business in Singapore control from India 50,000
12. Income from business in India but received in France 1,00,000
13. Dividend from American company received in India 22,000

You are required to compute his total income if he is i] Ordinary Resident ii] Not Ordinary iii] Non Resident of India.

OR

Q – 3 Miss. Akansha a foreign citizen. During the financial year 2018-19 she was in India for 101 days determine her residential status for the assessment year 2019-20 on the basis of the information about his presence in India given below: (15)

Previous Years	No. of Days	Previous years	No. of days
2004-05	85	2011-12	16
2005-06	310	2012-13	160
2006-07	106	2013-14	281
2007-08	174	2014-15	305
2008-09	20	2015-16	165
2009-10	280	2016-17	210
2010-11	265	2017-18	220

Q – 4 Mr. Rajaram Raje proprietor of RR and Co. provides you the following information for the year ended 31st March, 2017: (15)

Profit and Loss Account
for the year ended 31st March, 2017

Expenses	Rs.	Income	Rs.
To Salaries	1,50,000	By Gross Profit	5,07,000
To Bad debts written off	10,000	By Income tax refund (including interest Rs.2,000)	18,000

To Printing expenses	11,000	By UTI dividend	40,000
To Conveyance	30,000	By Gift from a friend	10,000
To General expenses	43,000		
To Sales tax penalty	9,000		
To Fire insurance premium	4,000		
To Wealth tax	6,000		
To Depreciation	20,000		
To Repairs and maintenance	8,000		
To Net profit	2,84,000		
Total	<u>5,75,000</u>	Total	<u>5,75,000</u>

Additional Information:

1. Depreciation as per income tax rules Rs.22,000.
 2. Salaries include salary to proprietor Rs.48,000.
 3. Printing expenses include Rs.8,000 for printing of marriage invitation cards for his son.
- You are required to compute his compute income from business profession for previous year 2019-20.

OR

Q – 4 A] From the following information of Ms. Nikunj the financial controller of Glaxo Ltd. Compute the Income from other sources for the financial year 2018-19. (08)

1. Nikunj is the member of Andheri Club. During the year her winning from card games amounted to Rs.3,000.
2. Dividend from Unit Trust of India Rs.400.
3. Directors Meeting fees Rs.300.
4. Bank interest Rs.800.
5. Dividend on Preference Shares in Great India Ltd. Rs.3,000.
6. Royalty received on his book "How to save Income – Tax" Rs.8,000.
7. Horse Race winning Rs.12,000.
8. Interest on Treasure Saving Deposit Certificate Rs.150.

B] Mr. Anil purchases a house property in 2000 for Rs. 12,20,000. The fair market value of the property on 1-4-2001 is Rs.14,50,000. He also incurred expenses of Rs.50,000 for construction of an additional room in May 2008. The property is sold in July 2018 for Rs. 50,00,000. Transfer expenses of Rs.50,000 were incurred. X also purchased a new house for Rs.9,00,000 out of sales proceeds. Find out the long term capital gain for A. Y. 2019-20 (07)

Q – 5 a] Define Person and give five examples of person from different category (08)

b] What is Residential status ? what is the scope of tax on income earned by person who is Resident and ordinary resident of India ? (07)

OR

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.