

01/10/21
TUBAR
(Sem-V)
Extra

Q.P. Code :03759

[Marks:75]

[Time: 2½ Hours]

Please check whether you have got the right question paper.

- N.B:
1. Q.1 is compulsory
 2. Q.2 to Q.5 are compulsory with internal choice
 3. All questions carry equal marks
 4. Working should form part of your answer
 5. Use of simple calculator is allowed.

08

Q.1 A Multiple choice questions (any eight)-Rewrite Sentence

1 Shivaji University is assessable under the Income Tax Act as.

- 1) An individual
- 2) An artificial juridical person
- 3) A local authority
- 4) None of these

2 Incomes which accrue or arise outside India but are received directly into India are taxable in case of.

- 1) Resident only
- 2) Both ordinarily resident and NOR
- 3) Non-resident
- 4) All the assessee

3 M, a Chartered accountant is employed with M.Ltd. as an internal auditor and requests the employer to call, the remuneration as internal audit fee. M shall be chargeable to tax for such fee under the head.

- 1) Income from salaries
- 2) Profit and gains from business and profession
- 3) None of these
- 4) Income from other sources

4 M has taken a house on rent and sublets the same to A. Income of M from such house property shall be taxable under the head.

- 1) Income from house property
- 2) Income from other sources
- 3) Business income
- 4) None of the above

5 Under the head business or profession, the method of accounting which as an assessee can follow, shall be

- 1) Mercantile system only
- 2) Cash system only
- 3) Mercantile or cash system

6 If the asset of a particular block is acquired and put to use during the previous year for less than 180 days the assessee shall be entitled to depreciation

- 1) At normal rate
- 2) At 50% of normal rate
- 3) None of these
- 4) No depreciation is allowed

7 Exemption under section 54 shall be available:

- 1) All assesses
- 2) Individual only
- 3) Individual & HUF
- 4) None of the above

8 The legal heir of the deceased who receives family pension is allowed a standard deduction from such pension to the extent of

- 1) 1/3 of such pension, subject to maximum of Rs. 25000
- 2) 1/3 of such pension or Rs. 15000 whichever is less
- 3) 1/3 of such pension or Rs. 15000 whichever is more
- 4) None of the above

9 For claiming deduction u/s 80 C in respect of Life Insurance Premium, it can be paid by assessee for

- 1) Himself only
- 2) Himself or spouse
- 3) Himself, spouse and any child
- 4) None of the above

10 Gift received by an individual Rs. 60000 from his relative X shall be

- 1) Fully taxable
- 2) Fully exempt
- 3) Exempt up to Rs. 50000
- 4) None of the above

Q.1 B State whether true or false (any seven)-Rewrite Sentence

07

- 1 Income means any receipt in cash.
- 2 An Indian company is always resident in India.
- 3 Salary of M becomes due on 1st of next month and it is paid on 7th of that month. For assessment year 2016-17 the salary of M shall be taken from April 2015 to March 2016.
- 4 Professional tax of Rs. 2,500 payable by the employee but paid by the employer is an exempt perquisite.
- 5 C transferred his house property to his wife as a gift. Gift from C shall be taxable in the hands of Mrs. C.
- 6 In the case of compulsory acquisition, the indexation of cost of acquisition shall be done based on the cost inflation index for the previous year in which compensation is received.
- 7 Dividend is taxable even if it is paid by Indian company to its shareholders.
- 8 The annual interest accrued on NSCs VIII issue shall be taxable as income from other sources but also eligible for deduction u/s 80 C.
- 9 Deduction u/s 80C in respect of LIP contribution, to provident fund, etc. is allowed to any assessee.
- 10 Income received from smuggling activity is income as per Income Tax Act.

Q.2 Mr. Jain is practicing chartered accountant he also runs a private accountancy coaching classes. He keeps his account on cash basis. The following is his summarized cash book for the year ended 31st march 2016

Receipt	Rs	Payments	Rs
To Balance b/d	59,514	By Office exp	54,500
To Audit fees	1,80,650	By Institute exp	1,430
To Other incomes from profession	5,475	By Household exp	38,500
To Coaching fees	72,545	By Membership fees	3,415
To Int. on investment (net) (TDS Rs. 2000)	8,300	By Life insurance premium	11,250
		By Income tax	12,493
		By Motor car purchased	83,450
		By Car exp	6,585
		By Accident insurance	300
		By Mediclaim insurance	3,600
		By Balance c/d	1,10,961
Total	3,26,484		3,26,484

Other information:

- Office exp include Rs. 1,300 for the purchase of fiction books of self and books of Rs. 2,640 donated to poor students.
- 1/3rd of the motor car exp are in respect of his professional use.
- His investments are all in government securities.
- Depreciation on motor car is to be computed at 20%
- Coaching fees are net after meeting all expenses
- Mr. Jain started some work for an assignment in March 2016 the work was completed in April 2016 and the bill of Rs. 5,000 was raised in March 2016

Compute his total taxable income for the assessment year 2016-17

OR

Q.2 Mr. Ravi is employed in a company at Mumbai and gives you the following information for the year 2015-16

- He joined service in the pay scale of 9500-300-3000-500-6000 on 1st April 2012
- His other receipts are:

Dearness allowance	150% of basic
City compensatory allowance	Rs. 600/- p.m
H.R.A	Rs.3,000/- P.m
Self improvement allowance	Rs.1,000/-p.m.
Conveyance allowance (to meet the cost of travel to and from office to res.)	Rs. 2,000/- p.m
Commission	@0.1% on sales of Rs.2 crores
- He is provided with a car along with chauffeur to be used for official purposes.
- He had inherited house property from his uncle which he has let out on a monthly rent of Rs. 40,000/- he has take a loan to renovate the house and had paid annual interest of Rs.52,600/- on the housing loan.
- His inherited property not being at the place of his services, he is staying in rented premises and his exempt HRA u/s 10 (13A) is Rs.36,000/- for the year.
- He has also received interest of Rs. 15,502/- on his savings bank account.
- An amount of Rs. 20,000/- is deducted from his salary against his contribution to provident fund and Rs. 2500/- is deducted towards professional tax.

Compute his total taxable income for the A.Y. 2016-17

- Q.3** The following information is available from Miss Nisha for the year 2015-16, she has two properties the details of which are as under. You are required to compute her income from house property:-

Particulars	House 1 (self occupies) RS.	House 2 (let out) Rs.
Municipal valuation	60,000/-	90,000/-
Rent received	-	1,20,000/-
Fair rent	72,000/-	96,000/-
Repairs	6,000/-	3,500/-
Cost of purchased	3,60,000/-	4,80,000/-
Municipal taxes	10% of municipal valuation	10% of municipal valuation
Insurance (as% of cost of purchase)	2%	3%
Collection charges	-	1500/-

OR

- Q.3** The following information is available from Miss Nikita for the year 2015-16 she have two house properties the details of which are as under:-

Particulars	House 1 self occupied RS.	House 2 let out Rs.
Municipal valuation	6,00,000	9,00,000
Rent received	-	12,00,000
Fair rent	7,20,000	9,60,000
Repairs	60000	35000
Cost of purchased	103,60,000	1,04,080,000
Municipal taxes	10% of municipal valuation	10% of municipal valuation
Insurance (as% of cost of purchase)	2%	3%
Collection charges	-	15000

You are required to calculate her income taxable under the head income from house property.

- Q.4 A** Mr. Abhay had purchased a flat in March, 1991 for Rs. 5,00,000/-. In March 1997, he made major improvements and structural change which costed him Rs. 3,00,000/-. In Septemeber, 2005, he spent Rs. 45,000/- on renovation. In January 2016, he sold the old flat for a consideration of Rs. 65 lacs, stamp duty @5% was payable by buyer while brokerage payable by seller was @1% of sales consideration. Calculate the taxable capital gain and tax payable thereon if any from the above transactions. You are informed that the cost inflation index for the relevant years are 1990-91:182, 1996-97:305, 1997-98:331, 2004-05:480, 2005-06:497, 2009-10:632, 2015-16:1081

- Q.4 B** Mrs. Savita a resident individual submits the following particulars of her income for the year ended on 31.3.2016 compute her income from other sources for the AY2016-17

- Interest on public provident fund Rs. 6,000
- Dividend received from co-operative society Rs. 4,250
- Family pension of Rs. 60,000 on death of her husband from his employer.
- Lottery prize Rs. 30,000
- Interest on government securities Rs. 3,250
- Daily allowances as Member of Parliament Rs. 6,000
- Interest on NSC VIII issues Rs. 10,000
- Directorship meeting fees received Rs. 9,500
- She has incurred the following expenses
 - Rs. 2,000 spent for purchased of lottery tickets
 - Rs. 250 for collecting dividend

OR

- Q.4 Mr. Tony, a citizen of U.S.A came to India for the first time on his appointment as a manager of Thomas Cook & Company on 1st Feb 2012 he was transferred to Singapore for four years. However he was transferred back to India on 2nd Sept 2015 and joins his original firm M/S Thomas Cook & Company as a manager and since then he is India. 15

Determine the residential status of Mr. Tony for the assessment year 2016-17

He also earned the following income during the previous year 2015-16

- | | |
|--|------------|
| a) Income from house property In Delhi | Rs.15,000 |
| b) Income form property in Rome | Rs. 10,000 |
| c) Interest from bank account in Noida | Rs 1,200 |
| d) Income form business in china being controlled form India | Rs.16,000 |
| e) Dividend form British company received in India | Rs.17,000 |

Compute his total income for the assessment year 2016-17

- Q.5 A What is capital asset? Explain its types? 08

- B Explain in brief various deductions which are available under section 80 of the under income tax act 1961 07

OR

- Q.5 Write short notes (any three) 15

- 1 Assessment year and Previous year
- 2 Gross Annual value
- 3 Leave salary
- 4 Depreciation Rules
- 5 Exempt income U/S 10

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