

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.

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

08

- 1 Gift from a patient to a doctor is
 - 1) Allowed as deduction from gross income of the patient
 - 2) Exempt from tax for the doctor
 - 3) Chargeable to tax as income from business for the doctor
 - 4) Chargeable to tax as income from other sources for the doctor
- 2 Income which accrue or arise outside india and also received outside India is taxable in case of
 - 1) Resident only
 - 2) Not ordinarily resident
 - 3) Both ordinarily resident and NOR
 - 4) None of the above
- 3 M claimed the exemption of gratuity in the past to the extent of Rs.250000 he was entitled to the gratuity from the present employer amounting to Rs. 2,00,000 in the previous year 2015-16, M can claim exemption to the maximum extent of
 - 1) 200000
 - 2) Nil
 - 3) 1,00,000
 - 4) None of these
- 4 Municipal tax is deducted from
 - 1) Net annual value
 - 2) Gross annual value
 - 3) Municipal valuation
 - 4) None of the above
- 5 Income which accrues outside india from a business not controlled from india
 - 1) Is taxable only for a non-resident
 - 2) Is not taxable only for a non resident
 - 3) Is taxable only for a resident but not ordinarily resident
 - 4) Is exempt in all taxes
- 6 A house property with fair rent Rs. 1,20,000 is neither let out nor self occupied through out the previous year. Its annual value shall be
 - 1) Rs.120000
 - 2) Nil
 - 3) Rs.60000
 - 4) None of these

- 7 Export cash assistance earned by any person from government is
 - 1) Exempt from tax
 - 2) Taxed as capital gains
 - 3) Taxed as income from other sources
 - 4) Taxed as profits and gains of business
- 8 Salary bonus commission or remuneration due to or received by a working partner from the firm is taxable under the head.
 - 1) Income from salaries
 - 2) Other sources
 - 3) Business income
 - 4) None of the above
- 9 Agricultural income from a place outside India is
 - 1) Exempt from tax
 - 2) Taxable only in case of a non-resident
 - 3) Taxable as income from business
 - 4) Taxable as income from other sources
- 10 The payment for insurance premium under section 80 D should be
 - 1) In cash
 - 2) By any mode other than cash
 - 3) Cash/by cheque
 - 4) None of the above

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

7

- 1 Man of the match prize received by a professional sportsman is income as per Income Tax Act.
- 2 If an income is included in the total income of a person on the basis of accrual it may be included again on the basis of its receipt in subsequent period.
- 3 In case the property is owned by co-owners and it is self occupied by all co-owners, the annual value for each co-owner shall be nil.
- 4 Income received from smuggling activity is an income as per income tax act.
- 5 If the assessee carries on his business in a building as a tenant he can claim depreciation on any extension in respect of such building.
- 6 Jewellery held as stock in trade is treated as capital assets for capital gain purposes.
- 7 Dividend is exempt income if it is paid out of agricultural income of the company
- 8 In order to be eligible to claim deduction under section 80C, investment /contribution/subscription etc. in eligible or approved modes, should be made from out of income chargeable to tax.
- 9 For claiming deduction u/s 80C in respect of LIC premium can be paid by assessee for himself, spouse and any child.
- 10 The quantum of maximum deduction allowed u/s 80U is Rs.50,000.

Q.2 Vijay furnishes the following information relevant for the F.Y.2015-16:

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Profit and loss account for the year ended 31st March 2016

Particulars	Rs	Particulars	Rs
Office exp	45,000	Gross profit	3,03,000
Sundry exp	39,000	Sundry receipts	54,000
Entertainment exp	5,000	Bad debts. Recovered (allowed as a deduction earlier)	7,100
Audit fees	12,000	Customs duty recovered from govt	32,500
Legal charges	4,000		
Extension of building	6,000		
Dep.on plant	23,000		
Salary to staff:			
Salary	43,000		
Bonus	36,000		
Sales tax	38,000		
Advertisement	25,000		
Donation	19,000		
General exp	14,000		
Net profit	1,01,600		
Total	3,96,600	Total	3,96,600

Other information:

- Depreciation on plant and machinery and extension of building as per Income Tax provision is Rs. 28,000
- Sales tax of Rs.38,000 includes i) interest for late payment of sales-tax Rs.1,200 ii) penalty for evading sales tax Rs. 10,000.
- Advertisement expenditure was paid by bearer cheque, a single transaction.
- Salary to staff includes a payment of Rs. 5,000 to the relatives for gifts.

Ascertain the income of Vijay chargeable under income from Profits And Gains of Business or Profession for the assessment year 2016-17

OR

Q.2 Mr.Ashok is working as an Accountant in central railway. The following are the particular of his income for the year ending 31st March 2016:

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- Monthly basic salary Rs.5,800
- Dearness allowance Rs.500 p.m
- Special allowance Rs. 300 pm
- Bonus Rs.2,000
- He is provided with maruti car for his office use as well as for personal use. The perquisite value of this is ascertained at Rs. 5,920
- Entertainment allowance of Rs. 800pm since 1/4/2009 of which he actually spent Rs.8,000
- He spent Rs.1,500 on books and paid profession tax Rs. 1,720
- Dividend from foreign companies received Rs.5,000
- Winning from lotteries Rs. 1,00,000 (TDS Rs.35,000)
- Mr.Ashok took Anand Bhavan on rent of Rs 2,000 P.M. he subletted the property to Mr. Anant ar Rs. 2,500 pm W.E.F. 01.04.15
- Directorship fees from Imphal Associates Pvt Ltd. received Rs 12,000

12) Withdrawals from PPF account Rs. 34,000

The following are the particulars of his payments during the year:

- A) Investment in NSC Rs. 8,000
- B) Housing loan principal repayment Rs.22,000 to HDFC Bank
- C) He paid Rs.11,000 to general insurance corporation in respect of medical insurance for self his wife and children
- D) Tuition fees of Rs. 10,000 for the son doing BMS and for the daughter Rs.45,000 for doing her MS in USA

Compute total income of Mr. Ashok for AY 2016-17

Q.3 A Milind owns a house the fair rental value of which is Rs. 2,84,000 and standard rent was 2,75,000 it is rented to Jayesh at a rent of Rs. 25,000 pm the municipal valuation of the property is Rs 2,25,000 and municipal taxes are 7% of municipal valuation which was paid by Milind during the year.

Milind has incurred following further exp in respect of the property.

	Rs
For repairs	15,000
Collection charges	6,000
Land revenue (due to but not paid)	3,000
Interest exp for constructing the house	80,000

The property was vacant for 3 months during the year.

Compute his income from house property for assessment year 2016-17

Q.3 B Mr Svetlana has self occupied two houses for her own residential purpose particulars of which are as follows:

Particulars	House 1	House 2
Municipal valuation	1,00,000	1,34,000
Fair rent	1,40,000	1,44,000
Municipal taxes paid	10%	10%
Interest on borrowed capital	10,000	16,000
Fire ins. Premium paid	5,550	1,580

You are required to compute the net taxable income under the head income house property for the previous year 2015-16

OR

Q.3 Dr. Krishna is a medical practitioner. Besides his own practice he works as a part time physician in a private hospital for which he receives a monthly remuneration. He is also a consultant physician of TISCO Industries Pvt Ltd. on a monthly retainer fee.

The doctor maintained a record of his receipts and payments for the year ended 31st March 2016 and the following information is abstracted there from:

Particulars	Rs
Receipts	
Consultation fees received	1,60,000
Salary from the private hospital	24,000
Retainer fee from TISCO Industries Pvt Ltd	6,000
Payments	
For medical insurance to GIC on health for self	1,900

Rent and electricity	12,000
Telephone charges	2,400
Printing and stationery	500
Wages of clinical assistance	39,880
Drivers salary	6,400
Interest on loan taken for higher education to daughter	27,500
Car maintenance exp	12,000

The written down value of the car and the furniture of the clinic as on 1st April 2015 were Rs.50,000 and Rs. 3,000 respectively. Depreciation allowable @20% on car and 10% on furniture .20% of the use of telephone is attributable to personal and private purposes. Compute income from business and profession for Dr. Krishna for the Ay 2016-17

Q.4 A X holds 1200 equity shares in A Ltd. Since 1979 (cost of acquisition: Rs.20,000 fair market value on April 1 1981 Rs.18,000) A Ltd. Offers 2000 rights shares of Rs.10 each to X on May 1 2015 at a premium of Rs 20. X subscribes for 900 rights shares and renounces 1100 shares in favour of C by transferring the right entitlement for a consideration of Rs.9,800. X sells 2100 shares in A ltd on June 30 2015 @Rs. 185 per share.(brokerage Rs.6,500). Calculate Capital Gain (1981-82-100, 2015-16-1081) **08**

B Rahul purchases a house property for Rs. 26,000 May 1 1963, he gets the first floor of the house constructed in 1968-69 by spending Rs.40,000. He dies on Sept 12 1979. The property is transferred to Mrs Rahul by his will. Mrs Rahul spends Rs.40,000 and Rs. 87,600 during 1980-81 and 1998-99 respectively for renewal /reconstruction of the property. Mrs. Rahul sells house property for Rs. 25,50,000 on March 15 2016. (Brokerage paid by Mrs. Rahul Rs. 25,500) the fair market value of the house on April 1 1981 is Rs. 1,80,000 Calculate Capital Gain. **07**

(Fy1981-82:100,FY1998-99:351, FY 2015-16:1081)

OR

Q.4 Shri Pandey, an Indian citizen has settled abroad for the last 20 years his passport reveals his stay in India as under: **15**

Year ending 31.3.2007	39 days
Year ending 31.3.2008	10 days
Year ending 31.3.2009	196 days
Year ending 31.3.2010	125 days
Year ending 31.3.2011	107 days
Year ending 31.3.2012	225 days
Year ending 31.3.2013	165 days
Year ending 31.3.2014	25 days
Year ending 31.3.2015	87 days
Year ending 31.3.2016	65 days

It may be assumed that prior to 1st April 2006 he did not come to India after settling abroad. His total earning for the year ended 31.3.2016 was as under:

Q.P. Code :03760

- | | |
|---|------------|
| 1) Income from house property in Salem | Rs.90,000 |
| 2) Income from business in Sweden controlled from Sholapur | Rs. 45,000 |
| 3) Interest from bank account in India | Rs. 10,000 |
| 4) Profits of a business in India mostly controlled from India | Rs.25,000 |
| 5) Share from a firm doing business in Singapore controlled from Shingapur (Kerala) | Rs.82,000 |
| 6) Pension received in Indonesia | Rs. 15,000 |

Determine the residential status of Shri Pandey & scope of his total income for previous year 2015-16

Q.5 A Define and explain "Assessee" and "Person" as per Income Tax Act 1961 **08**

B List out any seven exempt income u/s 10 of the income tax act 1961 **07**

OR

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

- 1 Capital asset
 - 2 Family pension
 - 3 Deduction of interest u/s 24
 - 4 Gratuity
 - 5 Deduction under section 80 U
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