

TIME: 2 ½ HOURS

MARKS: 75

Please check whether you have got the right question paper.

- N.B.**
1. All questions are compulsory.
  2. All questions carry 15 marks.
  3. Figures to the right indicate full marks.
  4. Use simple calculator.
  5. Working should form part answer.

**Q.1. (a)** State whether the following statements are true or false. **(Attempt Any 8) (08)**

1. Minor child does not includes neighbour Child.
2. Clubbing of income also includes clubbing of losses.
3. Business loss cannot be set off against Salary income.
4. There cannot be loss under the head 'salary'
5. Maximum limit of Rebate u/s 87A is Rs. 50,000.
6. Advance tax is payable if tax liability is more than Rs. 80,000.
7. Loss from lottery can be set off against any income.
8. DTAA Stand for Double taxation Avoidance Arrangement.
9. Rent paid for building is liable for TDS @ 30%.
10. Long term capital losses can be set off against any income.

**Q.1. (b)** Select the correct alternative from the following and rewrite the complete sentence.

**(Attempt Any 7)**

**(07)**

1. Speculation loss can be carried forward upto \_\_\_\_\_ year.  
(4, 8, 6, No limit)
2. In case defective income tax return, the defect is required to be removed within \_\_\_\_  
(10 Days, 15 Days, 30 Days, 45 Days)
3. Company assesses are required to pay advance tax in \_\_\_\_\_.  
(Two instalments, three instalments, four installments, five installments)
4. What is the rate at which rate interest is levied u/s 234C for deferment of advance tax\_\_.  
(1% p.m., 1.5% p.m., 1.25% p.m., Nil)
5. In case of book loss the maximum allowable remuneration to working partner will be \_\_\_\_.  
(Rs.1, 50,000; Rs.3,00,000; Rs.2,00,000; Rs.4,00,000)
6. First due date of payment of advance tax of individual is \_\_\_\_\_.  
(15<sup>th</sup> July, 15<sup>th</sup> June, 15<sup>th</sup> May, 15<sup>th</sup> September)
7. Dividend from Indian Company is \_\_\_\_\_.  
(Taxable, fully exempt, exempt upto Rs.20,000, partly exempt)
8. Short term capital loss can be set-off against \_\_\_\_\_.  
(Salary income; Long term capital Gain; Lottery Income; Business Income)
9. TDS under section 192 is deducted @ \_\_\_\_\_%  
(5; 15; 10; Average rate)
10. Surcharge shall be applicable @ \_\_\_\_\_% where total income of individuals exceeds Rs. 50 Lakhs but less than 1 Crore. (10; 15; 12; 7)

**Q.2.a.** Mr. R is the karta of an HUF whose member derives income as given below: **(08)**

1. Income from R's Business Rs.4,00,000.
2. Mrs. R's salary as fashion designer Rs.5,50,000.
3. Minor son Ranu (Interest on fixed deposits with a bank which were gifted to him by his uncle) Rs.95,000.
4. Minor daughter Ranju's earning from sports Rs.85,000.
5. Gift received by Rana (Minor son) from friend of Mr.R Rs.80,000.

Compute the total income of Mr.R and Mrs. R by applying the provision of clubbing.

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**Q.2.b.** Mr. Sumit furnishes the following information for the year ended 31-03-19: (07)

1. Loss from business (2,00,000)
2. Loss From House Property Rs.(1,00,000)
3. Lottery Winning (Gross) Rs.3,00,000
4. Speculation business income Rs.2,80,000
5. Income by way of Salary Rs.5,00,000

Compute total Income of Mr. Sumit by applying the provision of Set off and carry forward.

**OR**

**Q.2.** Calculate Advance tax payable by Mr.Bharat from the following estimated income for the previous year 2018-2019. (15)

1. Business Income Rs.15,00,000.
2. Income From House Property Rs.6,00,000.
3. Contribution in public provident fund Rs.90,000.
4. Medical insurance premium Paid Rs. 10,000

Compute tax liability for the Assessment year 2019-2020 and also compute each advance tax instalment.

**Q.3.** X and Y are the partner in partnership firm submits the following profit and loss account for the year ended 31<sup>st</sup> march, 2019. (15)

Particulars	Amt. (Rs.)	Particulars	Amt. (Rs.)
To Opening stock	5,00,000	By Sales	60,00,000
To Purchases	20,00,000	By Dividend from Tata Ltd.	2,00,000
To Salaries to Staff	5,00,000	By Closing Stock	6,00,000
To Other Expenses	1,00,000		
To Interest on partner's capital @ 15%	1,50,000		
To Remuneration to Partners	4,50,000		
To Depreciation	2,00,000		
To Income Tax	1,00,000		
To RDD	50,000		
To Net Profit	27,50,000		
	68,00,000		68,00,000

**Additional information:-**

1. Other expenses includes Rs.50,000 not deductible under section 37
2. Depreciation as per income tax Rs.1,50,000.
3. Purchases includes Rs.1,50,000 onetime cash payment to one person.
4. Salary includes Bonus Due of Rs.1,00,000.

Compute net taxable income of the firm and tax liability for Assessment Year 2019-2020.

**OR**

**Q.3.** Mr. Abhishek (Age 50) is a physically disabled person (85%). He employed with R printer. He gives you the following information for the year ended on 31<sup>st</sup> March, 19. (15)

1. Basic Salary Rs.6,00,000 Per annum
2. Bonus Received Rs.2,00,000 Per annum
3. Dearness Allowance is 50% of Basic Salary.
4. House Rent Allowance Rs.1,40,000 per annum. (Rs.40,000 Exempt)
5. Conveyance Allowance Rs.1,80,000 per annum. (Amount spent on official conveyance Rs.80,000)
6. Reimbursement of medical expenses Rs.50,000.
7. Profession tax deducted Rs.2,500 per annum.

**Particulars of let out house:**

1. Municipal valuation Rs.40,000 per month
2. Fair rent Rs.50,000 per month
3. Standard rent Rs.60,000 per month
4. Actual Rent received Rs.90,000 per month
5. Municipal Tax paid Rs.80,000
6. Interest on capital borrowed for purchase of House paid during the year Rs.1,00,000.

**Other information:**

He paid life insurance premium of Rs.82, 500 in cash. Compute net taxable income and tax liability for Assessment year 2019-20.

**Q.4.** Pawan Ltd has actual tax liability of Rs.20,00,000 for previous year 2018-2019. (15)

The company has paid advance tax as given below:

Upto 15-06-2018	Rs.1,00,000
Upto 15-09-2018	Rs.4,00,000
Upto 15-12-2018	Rs.8,00,000
Upto 15-03-2019	Rs.16,00,000

Balance amount of tax Rs.4,00,000 was paid on 15<sup>th</sup> December, 2019 while filling the return.

Due date for filling of Return of Income is 30<sup>th</sup> September, 2019. Compute interest under section 234A, 234B, 234C for the Assessment year 2019-20.

**OR**

**Q.4.** The following are the particulars of income earned by Mr. K (Age 45 year) a resident Indian for the assessment year 2019-2020 (15)

Particulars	Amt.(Rs.)
Income from Foreign Country	40,00,000
Tax paid in foreign Country on foreign income	4,00,000
Income From India	5,00,000
Life insurance premium paid in cash	1,20,000
Medical insurance premium paid for her father aged 62 years	30,000

Compute his net taxable income and tax liability for assessment year 2019-2020. There is no double taxation Avoidance Agreement between India and Foreign country.

**Q.5.** a. Explain the provision regarding deduction of TDS in respect of salary. (08)

b. Discuss the provision of clubbing of income of minor Child. (07)

**OR**

**Q.5.** Write short notes on (Any three) (15)

1. Remuneration and interest to partner under section 40(b)
2. Inter head Adjustment under section 71
3. Returns of Loss.
4. Advance tax
5. Interest under section 234A