

- N.B. :** (1) All questions are **Compulsory**.
 (2) **Figures** to the **right** indicate **Full** marks.

1. (A) State whether the following statements are True or False as per the provisions of **Income Tax Act, 1961 for assesment year 2014-15 (Any 8)** 08
- (1) An association of Persons consist of Individuals only.
 - (2) Residential status depends only on citizenship
 - (3) Income earned in India is not taxed in the hands of Non Resident Assessee.
 - (4) If the business is commenced on 1/9/2013, the first previous year will end on 31/8/2014 for the Assessment year 2014-15.
 - (5) Family pension received by a widow of a deceased employee is income from other sources.
 - (6) Bonus of earlier year received during the current previous year is not an income from salary for that year.
 - (7) Advance against salary is not a part of Gross Salary
 - (8) Dividend received from Indian Company is fully Taxable.
 - (9) Gift received from mother is fully taxable.
 - (10) Gratuity received by Govt. employee on retirement is fully taxable.
- (B) Rewrite the sentences by selecting proper options **(Any 7)** 07
- (1) Income earned by minor on the investments made by his father is taxed in the hands of
 - a minor
 - his father
 - no person
 - (2) Commission on sales received in addition to salary by a salesman is Income from
 - Business
 - Salary
 - Other Sources
 - (3) Mediclaim premium paid by employer on the medical health policy of the employee is
 - Taxable perquisite
 - Taxfree perquisite
 - Not a perquisite
 - (4) If the residential property held for 35 months is sold, the resultant capital Gain will be
 - Long Term
 - Short Term
 - Medium Term

- (5) Gift of Rs. 51000 received from a friend is taxable to the extent of
 - Rs. 1000
 - Rs. 51,000
 - Rs. 50,000
- (6) Rent received from open plot of land is
 - Income from House Property
 - Income from Business
 - Income from other sources
- (7) The standard deduction on a family pension of Rs. 1,50,000 will be
 - Rs. 50,000
 - Rs. 15,000
 - Nil
- (8) If an assessee pays life insurance premium of Rs. 90,000, he is entitled to a deduction under section 80 C of
 - Rs. 90,000
 - Rs. 1,00,000
 - Nil
- (9) Mr. Anil is a person with a physical disability of 50%. He is entitled to a deduction under section 80 U of
 - Rs. 50,000
 - Rs. 1,00,000
 - Nil
- (10) Mr. Dinkar earns Saving Bank Interest of Rs. 90,000 during the previous year 2013-14. He is entitled to a deduction under section 80 TTA of
 - Rs. 90,000
 - Rs. 10,000
 - Nil

2. (a) Mr. Laxman Kumar gives you the following information for the year ended 31.3.2014 15

Following information for the year ended 31.3.2014				
Profit and Loss Account for the year ended 31.3.2014				
To	<u>Expenses</u>	Rs.	By <u>Income</u>	Rs.
	Salaries	43,000	Gross Profit	2,50,000
	Rent of office	22,000	Rent from subletting of house	10,000
	Loss by theft	2,000	Amount received from LIC for matured Insurance Policy	25,000
	Discount	4,000	Dividend from Cooperative Bank	25,000
	Premium on health of employee	7,000	Interest on Saving Bank Account	13,000
	Bad debts written off	4,000	Profit on Sale of Import Licence	20,000
	Gifts & Presents (to business associates)	11,000		
	Interest on Capital	3,000		
	Repairs to office Furniture	11,000		
	Sales tax penalty	2,000		
	Income Tax	5,000		
	Net Profit	2,29,000		
	Total	<u>3,43,000</u>	Total	<u>3,43,000</u>

Mr. Laxman Kumar paid Rs. 8,000 towards College tuition fees for his children and invested Rs. 10,000 in term deposit for 5 years with Bank of India.

Compute total taxable income for assesment year 2014-15

OR

- (b) Mr. Rajan works as sales manager with M/s Esquire Traders. He gives you the following information for the year ended 31st March 2014. 15
- (1) Net Salary per month – Rs. 11,000
 - (2) Profession tax deducted at source Rs. 200 per month
 - (3) Entertainment Allowance – Rs. 1,000 per month
 - (4) Received bonus for earlier year – Rs. 10,000
 - (5) Received arrears of salary (not taxed earlier) – Rs. 12,000
 - (6) Employer paid mediclaim premium of Mr. Rajan and his wife – Rs. 15,000
 - (7) He took advance salary of Rs. 20,000 for marriage of his son.
 - (8) Mr. Rajan is also a director of Telco Ltd & received Rs. 12,000 as sitting fees.
 - (9) He received Rs. 10,000 as share of profit from M/s Rina Distributors, a partnership firm where he is a partner.
 - (10) He spent Rs. 40,000 on medical treatment of his dependant handicapped brother (45% of disability) in cash and Rs. 15,000 on tuition fees of college for his son.

Compute his total taxable income for assessment year 2014-15.

3. (a) Mr. Akhil is partially blind (72% disability). He gives you the following information for previous year 2013-14

Particulars	House 1 (Self Occupied) ₹	House 2 (Let out) ₹
1. Fair Rent (per month)	35,000	35,000
2. Rent Received (per month)	Nil	40,000
3. Municipal Taxes		
(a) Actually paid	10,000	10,000
(b) Outstanding as on 31.03.2014	5,000	5,000
4. Maintenance charges	9,000	9,000
5. Interest of Housing Loan (Loan taken after 01.04.1999)		
(a) Paid during the year	40,000	46,000
(b) Outstanding as on 31.03.2014	8,000	Nil

Other Information

Interest received from Saving Bank A/c ₹ 15,000

Interest Accrued on Kisan Vikas Patra ₹ 5,000

Winning from Lotteries (TDS ₹ 20,000) Net ₹ 30,000

Dividend received from Bank of Baroda ₹ 8,000

Compute the Taxable Income of Mr. Akhil for the Assessment year 2014-15.

OR

- (b) Mr. Jayesh Karnik acquired residential property on 01.03.1972 for ₹ 2,00,000. Additional information pertaining to property was as follows :-

(1) Fair market value as on 01.04.1981 was ₹ 2,40,000

(2) Cost of Improvement made by him

Financial Year

1974-75

₹ 50,000

1986-87

1,20,000

1995-96

4,00,000

2008-09

3,80,000

- (3) He sold residential property on 25.01.2014 for ₹ 1,80,00,000
 (4) He acquired new residential house for ₹ 58,00,000 on 19.03.2014
 (5) He also invested 15,00,000 in Rural Electrification Bonds on 20.03.2014
 (6) Expenses on transfer amounted to ₹ 75,000 less

Compute Taxable Long Term Capital Gain for Assessment Year 2014-15

DV-Con. 6193-14.

(TURN OVER)

5

Relevant Cost inflation Indices (CII) are as follows :-

Financial Year	CII
1981-82	100
1986-87	140
1995-96	281
2008-09	582
2013-14	939

4. (a) Mr. Yen citizen of USA provides you the details of his visit during last 7 Years. 15

Previous Year	Number of days stay in India
2007-08	130
2008-09	95
2009-10	198
2010-11	122
2011-12	25
2012-13	185
2013-14	180

Prior to 01.04.2007 he did not visit India. Find out his residential status for the Assessment year 2014-15

OR

- (b) From the following income of Mr. Suresh for the previous year 2013-14, Compute gross total income for the assessment year 2014-15 if he is 15

- (a) Resident & Ordinarily resident
(b) Resident but not ordinarily resident
(c) Non resident.

Income	Amt. (Rs.)
(i) Profits from business in Dubai managed from India	10,000
(ii) Royalty from Indian Company received in UK	20,000
(iii) Rent from house in UK received in Spain	30,000
(iv) Dividend from British Company received in Mumbai	40,000
(v) Interest credited to Bank of India, Delhi Branch	50,000
(vi) Income earned in Brazil in the past but brought to India during the year	60,000
(vii) Income accrued in Newyork and received in London	70,000
(viii) Income from agriculture in Srilanka received in India	80,000

5. (a) Discuss the provision of Income Tax Act, 1961 regarding Residential Status of an Individual. C-2 12 08
- (b) Write any Seven items of Income Exempt from Tax under section 10 of Income Tax Act, 1961 816 07

OR

DV-Con. 6193-14.

(TURN OVER)

Write Short Notes (Any 3)

- 5/10
- (1) Deductions Under Section 80 C 9/5
 - (2) Deemed to be Let out Property
 - (3) Advance Salary and Advance Against Salary 4/4
 - (4) Death-cum-retirement Gratuity 9/5.2
 - (5) Capital Asset. 7/2

COST → 4278

MANAGEMENT → 4291

Computer → 4320