

Note: All questions are compulsory.

All questions carry equal marks.

Use of simple calculator is allowed.

Q. 1 Solve any two out of three: (7.5 marks each)

(15)

a) Explain following terms:

Person, Previous and assessment year, Assessee

b) Mr. Akshay Kumar a British citizen had the following income during the year:

	Rs.
Professional fees received in India	20000
Income from house property in India	30000
Interest on Bank accounts in India	5600
Income from business in Sri Lanka which is controlled from India	15800
Dividends from British companies received in India	8000
Interest on bank accounts in U.S.A.	30000
Salary earned and received in Singapore	50000

Compute his total income for the A. Y. 2016-17, assuming the residential status as:

- Resident and ordinarily resident
- Resident but not ordinarily resident
- Non-resident.

c) Mitra, a young Indian, went abroad for the first time on 10th March 2013 for his higher studies. He returned to India on 28th March, 2015 and started his own business in Mumbai.

He went to USA on 12th April 2015 for a negotiation on Foreign Collaboration and returned to India on 27th April 2015. His other visits to USA for business purposes were as under.

Date of departure from India	Date of return to India
02-05-2015	08-07-2015
26-08-2015	09-09-2015
03-01-2016	25-03-2016

Determine the residential status of Mitra for the assessment year 2016-17. And give your reasons for the same.

Q. 2 Solve any two out of three: (7.5 marks each)

- a) Mr. Saif is a professor in management institute at Mumbai. The details of his salary and other expenses for the previous year 2015-16 are as follows:
- 1) basic salary Rs. 180000
 - 2) Dearness allowance forming part of salary Rs. 18000
 - 3) City compensatory allowance Rs. 15000
 - 4) Education allowance for his two sons Rs. 10000
 - 5) House rent allowance received Rs. 24000. rent paid by him during the year Rs. 20000
 - 6) Remuneration from Delhi university for acting as a paper setter Rs. 5000
 - 7) During the year he spent Rs. 8000 on purchase of books for teaching purposes.
 - 8) Professional tax paid by him Rs. 2000

Compute the taxable salary of Mr. Saif for the assessment year 2016-17.

- b) Gaurav purchases a house property for Rs. 30000 on June 20, 1963. He gets the first floor of the house constructed in 1964-65 by spending Rs. 20000. He dies in December 20, 1979. The property is transferred to Mrs. G by his will. Mrs. G spends Rs. 25000 and Rs. 26700 during 1979-80 and 1984-85 respectively for reconstruction of the property. Mrs. G sells the house property for Rs. 1550000 on February 15, 2011. Brokerage paid by Mrs. G is Rs. 12500. The market value of the house on April 1, 1981 is Rs. 160000. Ascertain capital gains for assessment year 2015-16.
- CII- 1981-82 = 100, 1984-85 = 125, 2010-11 = 711, 2014-15 = 1024
- c) Explain various heads of income in detail.

Q. 3 Solve any two out of three: (7.5 marks each)

- a) Mr. Prabhu Deva completed construction of a residential house on March 31st 2010. Interest paid on loan borrowed for the purpose of construction during 2 years prior to completion was Rs. 27000. The house was let out on a monthly rent of Rs. 6500. Municipal taxes were Rs. 5000. Interest paid during the year is Rs. 17000. Amount spent on repairs is Rs. 2000. Fire insurance premium paid Rs. 1700. The property was vacant for 2 months. The municipal valuation of the property is Rs. 30000. Compute the income chargeable under the head income from House Property for the assessment year 2016-17.
- b) Mr. Ranbir provides you the following information for the year 2015—2016:
1. Salary @ Rs. 10000 p.m. and bonus for the year Rs. 7000 was declared.
 2. Honorarium from playing football from Khar Gymkhana Rs. 13000
 3. Received an award of man of the match of Rs. 12000.
 4. Arjun award of Rs. 20000 instituted in the public interest by govt, of Maharashtra for showing proficiency in sports.

5. He owns the following securities on 01 /04/2014:
 15% Mumbai port trust bonds Rs. 24000 (interest payable annually) 10% Bonds of Narmada Cement Ltd. Rs 15000
6. Interest on fixed deposits with bank of Baroda Rs 20000 Interest accrued on Kisan Vikas Ptra Rs. 15400. Compute the income from other sources.
- c) Which deductions come under section 80.

4 **Solve any two out of three:**

(15)

- a) Explain services by way of education under service tax act.
- b) explain following terms:
 1) Taxable service 2) Input service 3) Output service
- c) M/s Sahakari Bazaar Co-operative Stores Ltd. follows co-operative year that is 1st July to 30th June. From the following information find out whether the store is liable for registration. This is the first year of the store.

Particulars	Purchase (taxable) Rs.	Sales (taxable) Rs.
1 st July 2015-31 st March 2016	330000	460000
1 st April 2016-30 th June 2016	210000	220000
total	540000	680000

5. **Solve the following:**

(15)

Mr. Salman (senior citizen) a severely handicapped person (89%) took voluntary retirement on 1-01-2010 after completing 20 yrs. of service in a private company. He furnishes the following information for the yr. ended 31-03-2016

- Basic salary Rs 50000 p.m.
 - Dearness allowance @50% of basic salary
 - Hose rent received Rs 1000 p.m. (exempt Rs 400 p. m)
 - Gratuity received (full exempt) Rs 200000
 - Voluntary retirement compensation received Rs 900000 (exempt Rs 500000)
 - Commuted pension (1/3d exempt) Rs 90000
 - Uncommuted pension Rs 5000 p.m.
 - Leave encashment 2 months basic (exempt up to 10 months)
 - Professional tax paid Rs 2500
 - He had given a loan of Rs 200000 to his friend. During the previous year 2015-16 he received Rs 15000 as interest on loan.
 - He paid medical insurance premium on 1st Feb 2016 of Rs 22000 by cheque.
- Compute his total taxable income

— The End —