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P.G. DIPLOMA IN TAXATION EXAMINATION, 2019
FINANCIAL ACCOUNTING
Paper—I

Time : 3 Hours

Maximum Marks : 100

- Instructions:** 1. Question no. 7 is compulsory. Out of the remaining attempt any 4 questions.
2. All questions carry equal marks.
3. Figures to the right indicate full marks.

- Q.1)** Define Book-Keeping & also explain the importance & objectives of it. (20)
- Q.2)** What is Bank Reconciliation Statement? State the reasons of difference between the balance of cash book and bank pass book. (20)
- Q.3)** A) Distinguish between Receipt and Payment Account and Income and Expenditure Account. (10)
B) What are the different Methods of Depreciation? Explain in brief. (10)
- Q.4)** Write Short Notes. (Any Four) (20)
a) Classification of Accounts
b) Dissolution of Partnership Firm
c) Error of Commission
d) Types of Cash Book
e) Importance of Accounting
f) Going Concern Concept
- Q.5)** Prepare a Bank Reconciliation Statement as at 31.03.2017 considering the following adjustments. (20)
a) Bank Balance as per Cash Book (Cr.) Rs. 4,500
b) Cash Book payment side undercast by Rs. 150.
c) Cheque drawn on savings account for Rs. 750 had been shown on current account in cash book.
d) Cheques drawn for Rs. 7,000 had yet to be presented.

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- e) Cheque lodged with bank for Rs. 6,000 was not cleared by the bank.
 f) Bank charges debited by bank in pass book Rs. 75.
 g) Dividend of Rs. 2,500 received by bank not entered in Cash Book.

Q.6) The Balance sheet of X and Y a partnership firm as at 31.03.17 was as follows.

Balance sheet of X and Y a partnership firm as on 31.03.2017 (20)

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Capital Account		Machinery	28,000
X 52,000		Land and Building	28,800
Y <u>68,000</u>	1,20,000	Furniture	4,200
		Stock	52,000
		Sundry Debtors	12,000
Sundry Creditors	30,000	Cash at Bank	25,000
Total	1,50,000	Total	1,50,000

X and Y share profits and losses as 1:2. They agree to admit Z (Who is also in the same business) as a third partner from 01.04.17.

The assets were revalued as under:

- Land and Building Rs. 60,000, Furniture Rs.12,000, Stock Rs.57000, Debtors Rs.10,000
- Z brings the following into the partnership.
Goodwill Rs. 12,000, Furniture Rs. 5,000, Stock Rs. 20,000 & Capital Rs.17,000.
- Profits in the new firm are to be shared equally by the three partners and the Capital Accounts are being so adjusted as to be equal. For this purpose, additional cash should be brought in by the partner or partners concerned.

Prepare the necessary ledger accounts and the opening Balance Sheet of new firm.

Q.7) From the following particulars, prepare the Trading Account and Profit and Loss Accounts for the year ended 31st March 2017 and the Balance Sheet as on that date: (20)

Trial Balance as on 31.03.2017

Particulars	Dr. (Rs.)	Cr. (Rs.)
Debtors	2,00,000	
Salary	50,000	
Wages	57,500	
Printing Charges	1,500	
Bills Receivable	55,000	
Capital		2,50,000
Sales		8,75,000
Opening Stock	75,000	
Carriage inward	2,500	
Rent	12,500	
Return Inward	5,000	
Carriage Outward	3,500	
Creditors		1,25,000
Bills Payable		1,00,000
Return Outward		26,000
Machinery	2,50,000	
Cash in Hand	500	
Cash at Bank	1,46,500	
Furniture	50,000	
Advertisement	2,500	
Investment	1,00,000	
Interest		2,500
Provision for Doubtful Debts		11,000
Bad Debts	2,500	
Purchases	3,75,000	
Total	13,89,500	13,89,500

Other Information:

- a) Closing Stock valued at Rs. 75,000.
- b) Machinery is to be depreciated @ 10% and furniture @20%.

- c) Bad Debt of Rs. 2,500 is to be written off.
- d) R.D.D. is to be maintained at 5% on opening balance of Debtors.
- e) Interest due but not received within the accounting year Rs. 2,500.
- f) Wages – Rs. 6,000 and Salary- Rs. 10,000 were due but not paid.

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P.G.D.I.T. EXAMINATION, 2019

DIRECT TAXES—STRUCTURE AND PROCEDURE

Paper II

Time : Three Hours

Maximum Marks : 100

- N.B. :—** (i) Question No. 7 is compulsory.
(ii) Attempt any *four* questions from the remaining.
(iii) *All* questions carry equal marks.

Q.1. Explain the various types of residential status as per The Income Tax Act, 1961.

Q.2. Write short notes on:

- a) Person
- b) Assessment year
- c) Long Term capital gain
- d) Assessee

Q.3. Explain the provisions of salaried person for payment of professional tax under The Professional Tax Act, 1975.

Q.4. What are the deductions available under Chapter VI A to Individual Assessee?

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Q.5. Explain the concept of total Income under The Income Tax Act, 1961.

Q.6. a) What are the types of Income Tax Authorities in India?

b) Explain the concept of agricultural income in India.

Q.7. Explain in detail the format of computation of Income under the head of "Income from Salary".

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P.G.D.I.T. EXAMINATION, 2019
DIRECT TAXES—STRUCTURE AND PROCEDURE
Paper III

Time : Three Hours

Maximum Marks : 100

N.B. :— (i) Question No. 7 is compulsory.

(ii) Solve any *four* questions from the remaining.

(iii) All questions carry equal marks.

1. Explain the various perquisites which are fully and partly taxable under Income Tax Act, 1961.
2. Write short notes (any *four*) :
 - (a) Profits in lieu of salary.
 - (b) Deductions under “Income from house property”.
 - (c) Short term and long term capital gains.
 - (d) Deductions expressly disallowed under the head “Profits and gains from business and profession.”
 - (e) Income chargeable under the head “income from other sources.”
 - (f) Income tax rebates and reliefs.
3. Miss Anoushka is a college lecturer in Pune. During the year 2018-19 she gets monthly basic salary of Rs. 42,300 upto 30th June 2018 and RS. 52,700 afterwards. Besides she get 30% of basic salary as House rent allowance, Rs. 16,300 p.m. as D.A. (70% of it forms part of salary for retirement benefit) and Rs. 5,000 p.m. as conveyance

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allowance, which is entirely used for personal purposes. Besides she gets Rs. 12,600 as reimbursement from the employer in respect of books and journals purchased by her for discharging her official work. On 10th July 2018 the employer transfers a music system to Miss Anouska on her completing 10 years of services (cost of music system Rs. 22,470) for Rs. 7,500. She is a member of statutory provident fund to which both the employer and employees contribute at 8.33% of salary. During the previous year 2018-19 she received Rs. 45,690 for checking answer sheets of university.

She pays rent of Rs. 14,000 pm and professional tax Rs. 225 pm. Determine the income from salary on the assumption that salary falls due on the last day of each month.

4. Mr. Vijay owns two houses and both are occupied by him for his own residence. He has given the following information. As an income tax consultant give your advice to Mr. Vijay which house should be treated as self-occupied ?

Particulars	H-I (Rs.)	H-II (Rs.)
Municipal Valuation	1,00,000	1,26,000
Fair Rent	1,10,000	1,20,000
Annual Rent	90,000	1,28,000
Standard Rent	1,20,000	1,32,000
Municipal Taxes	18,000	24,000
Interest on Loan	36,000	1,80,000
Date of Loan	1-4-1999	Dec.-1998
Date of Completion of Construction	May-2001	April-2000

5. Write notes on :

- (a) Taxable allowances
- (b) Residential status of an individual
- (c) Gross total income
- (d) Capital assets.

6. The following is the Profit & Loss A/c for the financial year ending on 31st March, 2019 furnished by Ajit.

Profit & Loss Account

Particulars	Rs.	Particulars	Rs.
To Salary	1,40,000	By Gross Profit	4,57,000
To Advertisement	15,000	By Interest on	
To Depreciation	68,000	Fixed Deposits	19,000
To Rent and Taxes	13,000	By Bad Debts (recovered)	15,000
To Municipal Taxes		By Dividend	6,000
of Resi. house	9,000	By Commission	25,000
To Goods and Service		By Sundry Receipts	3,000
Tax	25,000		
To Legal Charges	12,500		
To R.D.D.	5,000		
To Banking Cash			
Transn. Tax	8,000		
To Int. on Capital	7,500		
To Bad Debts	9,000		
To Net Profit	2,13,000		
	<u>5,25,000</u>		<u>5,25,000</u>

- (1) Salary includes payment of Rs. 23,000 to daughter of Mr. Ajit. Out of it Rs. 3,000 is excessive as compare to other employees of same category.
- (2) Allowable amount of depreciation as per income tax rule is Rs. 64,000.
- (3) GST includes Rs. 3,000 as a penalty and Rs. 2,000 as interest for late payment of GST charged by GST authority.
- (4) Bad debts recovered were written off in the year 2016-17 and admitted by the income tax authority.
- (5) You are required to compute taxable income of Mr. Ajit from business for the assessment year 2019-20.

7. Mrs. Pratibha is working as an Accountant in ICICI Bank, Pune. She has furnished the following details of her income for the year 2018-19 :

- (1) Basic Salary Rs. 35,000 p.m.
- (2) D.A. Rs. 14,000 p.m.
- (3) Bonus Rs. 1,00,000
- (4) Entertainment allowance Rs. 1,200 p.m.
- (5) Transport allowance (for coming to office and going back to his residence) Rs. 2,000 p.m.
- (6) Received house rent allowance Rs. 3,000 p.m. from the employer, but she paid a rent of Rs. 5,000 p.m.
- (7) Personal medical bill of Rs. 25,000 were reimbursed by the employer.

- (8) Her contribution to recognised provident fund is Rs. 44,000 and the employer's contribution is also an equal amount.
- (9) The interest credited to R.P.F. account at 12% p.a. Rs. 18,000.
- (10) Income from business Rs. 90,000.
- (11) A house property in Mumbai has been let out at Rs. 15,000 p.m. One month rent could not received due to vacancy. She paid Municipal Tax of Rs. 14,000 and Rs. 12,000 as fire insurance premium.
- (12) Interest on Bank deposits received Rs. 13,000.
- (13) Interest on Government securities Rs. 15,000.
- (14) Income from units of U.T.I. Rs. 10,000.
- (15) She paid to the National Children Fund Rs. 5,000 as donation.
- (16) She paid to notified units of Mutual Fund equity linked saving scheme (ELSS) Rs. 30,000.
- (17) She paid LIP Rs. 20,000, tuition fees for her son Rs. 60,000 and interest on loan taken for higher education of her son Rs. 15,000.
- (18) Professional tax paid Rs. 3,500 p.a.

Compute the total income and tax payable by Mrs. Pratibha for assessment year 2019-20.

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P.G. DIPLOMA IN TAXATION EXAMINATION, 2019
INDIRECT TAXES STRUCTURE AND PROCEDURE
Paper-IV

(Central Excise and Service Tax)

Time : 3 Hours

Maximum Marks : 100

- N.B. :—** (i) Q. Nos. 6 and 7 are compulsory.
(ii) Attempt any *three* from Q. Nos. 1 to 5.
(iii) Figures to the right indicate full marks.

1. Who and when is liable to pay excise duty ? What are the types of excise duty ? Discuss with its objects. [20]
2. (A) Explain rules of valuation of taxable service. [10]
(B) Z Ltd. is engaged in the business of renting of immovable properties owned by it. Find out the service tax payable for quarter ending March 2017 :
 - (1) Rent of vacant land used for horticulture ₹ 10 lakhs.
 - (2) Rent of land used for parking ₹ 9 lakhs.
 - (3) Rent of houses let out to individuals for residence ₹ 11 lakhs.
 - (4) Rent of a building let out to MAH.BK ₹ 8 lakhs.
 - (5) Rent of building to public school ₹ 15 lakhs.Assume the rent is exclusive of service tax @ 14%. [10]
3. (A) What are the types of registration under CST Act ? Discuss the procedure for obtaining registration. [10]
(B) Define turnover under CST Act. How to determine turnover of dealer under CST Act ? [10]

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4. Discuss provisions under M.VAT Act, 2002 : [20]
- (i) Provisions for Registration of dealer.
 - (ii) Provisions for levy of tax.
 - (iii) Audit provisions under M.VAT Act.
 - (iv) Provisions for composition schemes.
5. Write short notes on : [20]
- (i) Document and books of A/c required under Central Excise Act.
 - (ii) Declared goods under Central Sales Tax.
 - (iii) Bundled service under Service Tax.
 - (iv) Dealer and Deemed Dealer under M.VAT.
6. (A) Soni brothers manufacturers of Jewellery. The Invoice value of jewellery removed from factory is as :
- (i) Jan-2017—₹ 30,00,000
 - (ii) Feb-2017—₹ 25,00,000
 - (iii) March-2017—₹ 35,00,000.
- Compute the duty payable assuming rate of duty @ 12.5%. Tariff value fixed by Government 30% of the transaction value declared in the invoice. [10]
- (B) Binny Ltd. manufacturing readymade garments. The retail sale price of such garments is ₹ 42 lakhs whereas the manufacturing cost plus profit amounts to ₹ 12 lakhs.
- Compute the excise duty payable assuming rate of duty @ 12.5%. Tariff value fixed by Govt. is 30% of invoice price. [10]
7. (A) M/s R.K. Traders a registered dealer under M.VAT Act 2002 furnishes the following details for the month of March 2017 :
- Details of Sales*
- Gross sales of 12.5% tax rate goods (inclusive VAT) ₹ 15,00,000.
Gross sale of 4% tax rate goods (inclusive VAT) ₹ 5,00,000.

Details of Purchase :

Gross Purchase inclusive of tax @ 12.5% ₹ 10,00,000.

Gross Purchase inclusive of tax @ 4% ₹ 4,00,000.

Compute Net turnover and VAT payable : [10]

(B) M/s Motilal distributors, registered dealer under CST Act effected the following interstate sales in March 2017 :

(i) Sale of goods (local S.T. rate 12.5%) ₹ 18,00,000
(Received 'C' Forms).

(ii) Sale of goods (local ST rate 2%) ₹ 5,00,000.

(iii) Sale of goods (local ST 12.5%) ₹ 2,50,000.
(No 'C' form received)

Compute turnover of sales and CST payable. [10]

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P.G. DIPLOMA IN TAXATION EXAMINATION, 2019

AUDITING AND TAX AUDIT

Paper-V

Time : 3 Hours

Maximum Marks : 100

N.B. :— (i) Q. No. 1 is compulsory.

(ii) Solve any *four* questions from Q. Nos. 2 to 7.

(iii) *All* questions carry equal marks.

1. Explain the provisions of Income Tax Act regarding compulsory Tax Audit. [20]
2. What are the rights, duties and liabilities of a Company Auditor ? [20]
3. (a) What is Selective Tax Audit under Section 142 (2A) of Income Tax Act. [10]
(b) Give specimen of Audit Report from 3CB. [10]
4. What do you mean by Auditing ? Explain objectives, advantages and disadvantages of an auditing. [20]
5. (a) Problems in an EDP environment. [10]
(b) Discuss the control components of an EDP accounting system. [10]

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6. What is 'Audit Notebook' ? What should it contain ? What are its advantages ? [20]
7. Write short notes on : [20]
- (a) Audit Certificate
 - (b) Qualified Audit Report
 - (c) Vouching of Cashbook
 - (d) Audit Programme.

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