

Note : 1) Attempt all Questions.

2) Figures to right indicate full marks.

Q.1.A. Fill in the blanks by choosing the correct alternative. (Any 8)

8 M

- 1) A new business was set upon 1.10.2018. Its first previous year will end on _____
 (a) 31.3.2019 (b) 30.09.2019 (c) 31.3.2020 (d) 30.8.2019
- 2) Voluntary Retirement Competition received by retiring employee is exempted U/s 10(10c) to the maximum extent of _____.
 (a) Rs.3,50,000 (b) Rs.1,00,000 (c) Rs.5,00,000 (d) Rs.5,000
- 3) Rajiv has let out his residential house for commercial purpose. Rent received from such house is _____.
 (a) Income from business (b) Income from other source
 (c) Income from House Property (d) Capital Gain
- 4) Nagpur University is assessable under the Income Tax Act as _____.
 (a) A local authority (b) An Artificial Judicial Person
 (c) HUF (d) Firm
- 5) What is the date on which Fair Market Value of capital assets acquired is determined?
 (a) 1.4.200 (b) 1.4.1971 (c) 1.4.1981 (d) 1.4.1961
- 6) Ganesh received Rs.60,000 from his friend on the occasion of his birthday.
 (a) The entire amount (b) Rs.60,000 is taxable
 (c) The entire amount is exempt (d) Rs.10,000 is taxable
- 7) Deduction U/s 80C is allowed to the maximum of _____.
 (a) Rs.50,000 (b) Rs.10,000 (c) Rs.1,50,000 (d) Rs.2,00,000
- 8) Annual value of SOP is _____.
 (a) NIL (b) Higher of all values
 (c) Rs.40,000 (d) Cannot determined
- 9) A person by whom any tax, interest, penalty etc. is due is known as _____.
 (a) a defaulter (b) a resident (c) a citizen (d) an assessee
- 10) Municipal value of a house is Rs.9,000, Fair Rent Rs.14,000, Standard rent Rs.12,000. The house property has been let for rs. 1200 p.m. and was vacant for 3 months during previous year Municipal taxes paid during the year were Rs.4,000 Net Annual Value is _____.
 (a) Rs.5,000 (b) Rs.10,000 (c) Rs.6,800 (d) Rs.8,000

B) State whether following are True or False : (Any Seven)

7 M

- 1) Assessee means a person liable to pay tax on his income.
- 2) Residential status is to be determined on the basis of stay in India during Assessment Year.
- 3) Rules for computation of income under all heads are the same.
- 4) Pension received by a Govt. Employee is exempt.
- 5) Municipal Tax is deducted from net annual value.
- 6) Export incentive received by an assessee are exempt.
- 7) Capital gains arises from the transfer of any asset.
- 8) Dividend from co-operative society are exempt.
- 9) The quantum of maximum deduction allowed u/s 80 U is Rs.50,000
- 10) Gift received from Mother is fully taxable.

Q.2.) Dr. Vikas Patil is employed with ABC College. He gives the following information 15 M
 for the year ended 31st March 2019.

Basic Salary	Rs.5,00,000 per annum
Dearness allowance	Rs.2,50,000 per annum
Perquisite value of Rent free House	Rs. 14,000 per annum

Arrears of Salary (Not taxed earlier) Rs.2,00,000 per annum
 Examination Remuneration received from College Rs.11,500
 Professional Tax Paid Rs.2,400
 Remuneration received from University for PHD guide Rs.12,000
 He spent Rs. 8,000/- on purchase of book
 He received Best Teacher Award of Rs.10,000 from Government of Maharashtra
 He received gift from Mother Rs.80,000/-
 He paid LIC premium for his Son Rs.60,000 by cash. He also paid Rs.50,000 as interest on Higher education loan.
 Compute his taxable income for the A.Y. 2019-20.

OR

Q.2.) Mr.Ram Prakash gives you following information regarding house property owned by him, for previous year 2018-19 **15 M**

Particulars	House I (SOP)	House II (LOP)
Rent (Per Month)	12,000	10,000
Municipal Valuation (P.M.)	12,000	8,000
Municipal Taxes Paid	10,000	8,000
Municipal Taxes Outstanding	6,000	NIL
Repairs	12,000	8,000
Interest on Borrowed Capital (Loan taken on 1.4.2013)	60,000	48,000

Other information :-

Rent received form sub-letting tenancy premises Rs.1,00,000
 Rent paid to landlord on above tenancy premises Rs.14,000
 Mediclaim Insurance paid by Cheque for his minor son Rs.18,000
 Compute his Taxable income for the assessment year 2019.20.

Q.3. Mr.Vilas, Proprietor of V & CO. furnishes you the following information for the year ended 31.3.2019 **15 M**

Profit and Loss Account for the year ended 31st March 2019

Particulars	Amount	Particulars	Amount
To Salaries	3,60,000	By Gross Profit	7,65,000
To Salary to Proprietor	24,000	By Dividend from Bank of India	8,000
To Office Expenses	18,000	By Divisional from N.K.G.S.B. Co-operative Bank Ltd	2,000
To Staff Welfare	30,000	By Interest on Fixed Deposit	12,000
To Wealth Tax	3,000		
To Provision for Bad debts	5,000		
To Medical Premium	18,000		
To Depreciation	19,000		
To Life Insurance Premium	30,000		
To Net Profit	2,80,000		
	7,87,000		7,87,000

Additional Information :

- Depreciation as per Income Tax rules Rs.21,000
- Mediclaim Premium was paid in cash.
- LIP Rs.15,000 by cash for himself.

You are required to compute his total taxable income for Assessment year 2019-20

OR

Q.3. Dr. Amit provides the following information for the previous year ended 31st March 2019. Compute his Net taxable income for the Assessment.

Income and Expenditure Account for the year ended 31st March 2019

Expenditure	Amount	Income	Amount
Salaries to Staff	45,000	Consulting Fees	2,50,000
Laboratory Expenses	35,000	Visiting Fees	67,000
Rent of Operation Room	26,000	Gift from Patients	5,000

Purchase of Medicines	15,000	Sale of Medicines	19,000
Income Tax	9,000	Dividend from Foreign	30,000
Motor Car Expenses	23,500	Exchange	
Membership Fees	500		
Charity and Donation	12,500		
Surplus	2,04,500		
Total	3,71,000	Total	3,71,000

Additional Information :

- 1) He paid Rs.15,000 to GIC for medical insurance of self, his wife and children.
- 2) He paid Life Insurance Premium for his Son Rs.55,000 by cash.
- 3) Investment made in units by a Mutual Fund approved U/s 80c of the Income Tax Act Rs.40,000

Q.4.a) Mr. Raj, who is born and brought up in India and an Indian citizen, went for further studies to U.S.A. on 1st March 2014 and come back to India on 1st October 2018 and since then he is in India. Determine his residential status for the Assessment Year 2019-20. **08 M**

And

b) Mr. Deshpande had the following incomes during the previous year ended 31st March 2019 **07 M**

Particulars	Rs.
a) Rent Received from house in Kolkata	60,000
b) Royalties from Indian Companies	30,000
c) Income from profession in Nairobi – received in Nairobi which was set up in India	20,000
d) Income from Agriculture in Sri Lank	50,000
e) Interest on Bank account in London	4,000
f) Dividend from British Company received in India	60,000

You are required to compute his total income if he is.

- a) a resident and ordinary resident
- b) a non resident
- c) a resident but not ordinarily resident

OR

Q.4.a) Mr. Seth, acquired a residential house in January 2003 for Rs.10,00,000 and made some improvements by way of additional construction to the house incurring expenditure of Rs. 2,00,000 in October 2004. He sold the house property in October 2018 for Rs.80,00,000. He acquired a residential house in January 2019 for Rs.25,00,000. Compute the capital gain chargeable to tax for the assessment Year 2019-20.

Cost Inflation Index F.Y. 2002-03 = 105 F.Y. 2004-05 = 13
F.Y. 2010-11 = 167 F.Y. 2018-19 = 280

b) Whether the following are capital assets within the definition of section 2 (14) **5 M**

1. Vacant Land
2. Jewellery
3. Stock in trade
4. Art work
5. Shares of AB Ltd.

Q.5. a) Explain any eight Exempt income under section 10. **8 M**

b) How to determine the Annual Value of :

- (i) Let out property
- (ii) Self occupied property
- (iii) Demand Let out properly.

OR

Q.5.) Write short notes on : (Any 03) **15 M**

- i) Person
- ii) Resident Individual
- iii) Expenses disallowed from Income
- iv) Pension

v) Deduction under section 16