

(2 ½ Hours)

[Total 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 is allowed.
5. Working note should form part of your answer.

Q.1.a. Select the correct alternative from the following and rewrite the complete sentence. (Any 8) (08)

1. Clubbing of income _____ clubbing of loss.
(excludes, exempt, restrict, includes)
2. Minor child _____ step child.
(excludes, includes, decided by court, none of the above)
3. Business loss can be set off against _____.
(lotteries income, betting income, salary income, business income)
4. There cannot be 'loss' under the head _____.
(house property, business, salary, capital gain)
5. Loss cannot be set off against _____.
(winning from lotteries, gambling or betting income, winning from horserace, all of the above)
6. Remuneration paid to _____ partner of firm within the limit specified is allowable as business expenditure.
(sleeping, working, minor, any)
7. Income tax rate for partnership firm is _____.
(30%, 34%, 20%, as per slab rate)
8. Share of partner in total profit of the firm is _____.
(taxable, fully exempt, exempt upto Rs.1,50,000, exempt upto Rs.3,00,000)
9. Advance tax is payable in cases where tax payable for an assessee is Rs. _____ or more.
(50,000, 10,000, 25,000, 5,000)
10. _____ means taxing the same income twice in the hands of an Assessee.
(Clubbing of income, Double taxation, Set-off, None of the above)

Q.1.b. State whether the following statements are true or false. (Any 7) (07)

1. Exemption method and tax credit relief method are two types of unilateral relief.
2. A non-resident Indian can claim relief under section 91.
3. There are 3 due dates for payment of advance tax in case of companies.
4. Rent paid for plant or machinery is liable for TDS @ 5%.
5. Maximum limit of Rebate u/s 87A is Rs. 8,000.

6. Relief under section 91 is calculated at Indian rate of tax or foreign rate of tax, whichever is lower.
7. Clubbing of income means the income of other person include in the assessee's total income.
8. Income of minor child suffering from disability u/s 80 U is not to be clubbed.
9. Loss from lottery cannot be set off against any income.
10. Relief under section 91 is claimed when there is no agreement for relief from double taxation between India and other country.

Q.2. A and B are the partner in partnership firm, submits the following profit and loss account for the year ended 31st march, 2018. (15)

Particulars	Amt. (Rs.)	Particulars	Amt. (Rs.)
To Opening stock	1,50,000	By Sales	20,00,000
To Purchases	5,00,000	By Winning from lottery	1,00,000
To Salaries to Staff	2,00,000	By Dividend from Indian co.	1,00,000
To Other Expenses	3,00,000	By Interest on securities	50,000
To Interest on partner's capital @ 15%	2,00,000	By Closing Stock	2,00,000
To Remuneration to Partners	5,00,000		
To Depreciation	1,00,000		
To Income Tax	80,000		
To Net Profit	4,20,000		
	24,50,000		24,50,000

Additional information:-

1. Other expenses includes Rs.35,000 not deductible under section 37.
2. Depreciation as per income tax Rs.1,50,000.
3. Purchases includes Rs.50,000 onetime cash payment to one person.
4. Salary includes Bonus Due of Rs.60,000.

Compute net taxable income of the firm and tax liability for Assessment Year 2018-2019.

OR

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

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

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

Q.2.b. Mr. Ramesh furnishes the following information for the year ended 31-03-18: (07)

- | | |
|--------------------------------|----------------|
| 1. Income from business | Rs. (2,35,000) |
| 2. Income From House Property | Rs. (2,15,000) |
| 3. Lottery Winning (Gross) | Rs. 3,00,000 |
| 4. Speculation business income | Rs. 2,00,000 |
| 5. Income by way of Salary | Rs. 2,60,000 |

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

Q.3. Mr. Rakesh (Age 45) is a physically disabled person (95% disability). He employed with Pune printer. He gives you the following information for the year ended on 31st march, 18. (15)

1. Basic Salary Rs.8,00,000 per annum.
2. Bonus Received Rs.50,000 Per month
3. Dearness Allowance is 80% of Basic Salary.
4. House Rent Allowance Rs.80, 000 per annum. (Rs.50,000 Exempt)
5. Conveyance Allowance Rs.60,000 per annum. (Amount spent on official conveyance Rs.45,000)
6. Reimbursement of medical expenses Rs.30,000.
7. Profession tax deducted Rs.2,500 per annum.

Particulars of let out house:

1. Municipal valuation Rs.50,000 per month
2. Fair rent Rs.60,000 per month
3. Standard rent Rs.45,000 per month
4. Actual Rent received RS.65,000 per month
5. Municipal Tax paid by tenant Rs.50,000.
6. Interest on capital borrowed for purchase of House paid during the year Rs.3,00,000.

Other information:

He paid life insurance premium of Rs.60,000 in cash.
Compute net taxable income and tax liability for AY 2018-2019.

OR

Q.3.a. Kaka Ltd. provides the following information for the previous year 2017-2018. (08)

Income under the head business Rs.25,00,000.

Income from House Property Rs.18,00,000.

Compute tax liability for the Assessment year 2018-2019 and also compute each advance tax instalment.

Q.3 b. Mr. A doing textiles business (that is subject to tax Audit) Furnishes you the following information and requests you to state whether the provisions of tax deduction at source are attracted for the following expenses incurred during the financial year 2017-18: (07)

- 1) Interest paid to Indian Bank on term loan Rs. 92,800
- 2) Advertisement Expenses to P Rs. 44,000
- 3) Factory Rent paid to C Rs. 1,85,000
- 4) Brokerage paid to B, a sub-broker Rs. 18,000

Q.4. The following are the particulars of income earned by Mr. Kishor (Age 55 year) a resident Indian for the assessment year 2018-2019. (15)

Particulars	Amt.(Rs.)
Income from Foreign Country	25,00,000
Tax paid in foreign Country on foreign income	3,30,000
Income From India	20,00,000
Life insurance premium paid in cash	1,50,000
Medical insurance premium paid for her father aged 62 years	30,000

Compute his net taxable income and tax liability for assessment year 2018-2019. There is no Double Taxation Avoidance Agreement between India and Foreign country.

OR

Q.4. P Ltd has actual tax liability of Rs.10,50,000 for P.Y. 2017-2018.

(15)

The company has paid advance tax as given below:

Upto 15-06-2017	Rs.1,10,000
Upto 15-09-2017	Rs.3,00,000
Upto 15-12-2017	Rs.5,50,000
Upto 15-03-2018	Rs.8,00,000

Balance amount of tax Rs.2,50,000 was paid on 15th December, 2018 while filling the return. Due date for filling of Return of Income is 30th September, 2018. Compute interest under section 234A, 234B, 234C for the Assessment year 2018-2019.

Q.5. a. Explain double taxation relief.

(08)

b. Discuss the provision of clubbing of income of minor Child.

(07)

OR

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

(15)

1. Revised Return
2. TDS from salary income
3. Remuneration and interest to partner under section 40(b)
4. Interest under section 234C.
5. Inter head Adjustment under section 71