

TYBCom / DIT / 26

Q.P. Code : 50183

(REVISED COURSE - 75/25 Pattern)
(2½ Hours)

[Total Marks : 75]

- N.B. : (1) All Questions are compulsory.
(2) Figures to the right indicate maximum marks.
(3) Workings should form part of the main answer.

1. (a) Fill in the blanks with appropriate words (Any Eight) : 08
- 1) Income Tax Act came into force from _____.
 - 2) If an individual satisfies the basic conditions of Residential status he/she will be treated as _____.
 - 3) Indian agriculture is _____ from tax.
 - 4) The total of 5 heads of income given U/s 14 is called as _____.
 - 5) Commuted pension is exempted in the hands of _____ employees.
 - 6) Interest credited to Recognised Provident Fund (RPF) is exempt upto _____ p.a.
 - 7) Municipal tax is a deduction allowed on _____ basis.
 - 8) Expenses exceeding _____ paid in cash are disallowed.
 - 9) Previous year means _____ year immediately preceding the assessment year.
 - 10) Deduction U/s 80C is allowed to the extent of _____.
1. (b) State whether the following statements are TRUE or FALSE, as per the provisions of Income Tax Act, 1961 for Assessment Year : 2017-18 (Any Seven) : 07
- 1) HUF stands for Human Undivided family.
 - 2) Commuted pension is exempt in the hands of both government and non-government employees.
 - 3) Capital gain on transfer of depreciable asset is always long term capital gain.
 - 4) Total income of a person is determined on the basis of his citizenship in India.
 - 5) Any sum received under key-man insurance policy is not exempt U/s 10 (10D).
 - 6) Assessment year is always of 12 months.
 - 7) A foreign company is always non-resident in India.
 - 8) Deduction U/s 80E is available to an individual.
 - 9) Gratuity paid to government employee is fully exempt from a tax.
 - 10) An Indian company is always resident in India.

TURN OVER

2. Mr. Dinesh, who is physically disabled to the extent of 85%, works as an officer in Tata Power Co. From the following particulars of Income provided for the previous year ended 31st March, 2017, you are required to compute the taxable Income for Assessment Year : 2017-2018 :

S.No.	Particulars	Amount (₹)
1.	Basic Salary	9,00,000
2.	Dearness Allowance	1,80,000
3.	Conveyance Allowance [Amount Spent for official use ₹ 32,000]	36,000
4.	Re-imbusement of Medical Expenses	18,000
5.	Perquisite value of gas, water & electricity paid by employer	22,000
6.	Profession Tax paid	2,500
7.	Ex-gratia received from employer	40,000
	Other Information :	
8.	Dividend from Mutual Funds	16,000
9.	Gift from brother	60,000
10.	Dividend from Rupee Co-operative Bank Ltd.	12,000
11.	Interest on Fixed Deposits with Bank	20,000
12.	Interest on Government Securities	6,000
13.	He paid medical insurance premium for his mother	32,000

OR

2. Mr. Sudhakar provides following particulars of his income for the previous year ended 31st March, 2017. You are required to compute the net taxable Income for Assessment Year 2017-18 :

Sr. No.	Particulars of owned house	House A (Self-Occupied) (₹)	House B (Let-Out) (₹)
1.	Municipal Valuation (per month)	10,000	20,000
2.	Rent Received (per month)	NIL	35,000
3.	House B was vacant for 2 months		
4.	Municipal Tax :		
	- Paid by owner	12,000	18,000
	- Outstanding on 31/03/17	NIL	6,000
5.	Interest on Borrowed Capital :		
	- Paid during the year	20,000	80,000
	- Outstanding on 31/03/17	6,000	20,000
6.	Maintenance Charges	22,000	30,000

TURN OVER

Other Information :		
7.	National Award received from Government of India	10,000
8.	Gift from Father-in-Law	90,000
9.	Interest accrued on National Savings Certificates	11,000
10.	Dividend from Indian Companies	20,000
11.	He paid Interest of ₹ 28,000 on Education Loan taken from Bank of India for his son, who is pursuing post-graduation in Fashion Design, from Shivaji University (recognized)	
12.	He Invested ₹ 30,000 in National Savings Certificates, VIII Issue.	

3. Mr. Ashok provides the following information for the previous year ended 31st March, 2017. You are required to compute his net taxable income for the Assessment Year : 2017-18 : 15

Profit and Loss Account for the year ended 31st March, 2017

Particulars	₹	Particulars	₹
To Salaries	2,10,000	By Gross Profit	9,50,000
To Printing & Stationery	24,000	By Duty Drawback	20,000
To Advertisement Expenses	26,000	By Discount Received	10,000
To Reserve for Doubtful Debts	18,000	By Interest on PPF	12,000
To Advance Income Tax	22,000	By Gift from Friends	45,000
To Interest paid on Education Loan	48,000	By Interest on Recurring Deposit with Bank	5,000
To Medical Expenses	12,000		
To Rent	30,000		
To Contribution to Public Provident Fund (PPF)	50,000		
To Depreciation as per IT rules	80,000		
To Net Profit	5,22,000		
Total	10,42,000	Total	10,42,000

Additional Information :

- Interest paid on Education Loan is towards Education Loan taken for his daughter's higher education at Pune University, a recognized institution.
- Medical Expenses includes ₹ 8,000 towards health insurance premium of Mr. Ashok, which was paid in cash.

OR

TURN OVER

3. Mr. Sandeep provides the following information for the previous year ended 31st March, 2017. You are required to compute his net taxable income for the Assessment Year : 2017-18 : 15

Profit and Loss Account for the year ended 31st March, 2017

Particulars	₹	Particulars	₹
To Salaries	2,70,000	By Gross Profit	9,00,000
To Rent	90,000	By Discount Received	12,000
To Vehicle Expenses	80,000	By Rent from House Property	60,000
To Municipal Tax paid for house property	9,000		
To Interest on Loan for house property	12,000		
To Repair Expenses	20,000		
To Staff Welfare Expenses	35,000		
To Medical Insurance Premium	24,000		
To Depreciation	36,000		
To Life Insurance Premium	20,000		
To Net Profit	3,76,000		
Total	9,72,000	Total	9,72,000

Additional Information :

- 1) Repair Expenses include repairs to house property ₹5,000.
 - 2) Depreciation allowed as per Income Tax Rules is ₹38,000.
 - 3) Medical Insurance Premium is paid for his dependent father, a senior citizen.
 - 4) Life Insurance Premium is paid for his spouse, who is not dependent on him.
4. (a) Mr. Gautam provides the following particulars of assets transferred by him during the previous year ended 31st March, 2017. You are required to compute his Income from Capital Gains chargeable to tax for Assessment Year : 2017-18 : 07

A residential house in Mumbai, which he inherited from his father in December, 1981 and was sold on 16th August, 2016 for ₹1,60,00,000. His father had bought this house in February, 1981 at a cost of ₹7,80,000 and its Fair Market Value on 1st April, 1981 is ₹8,00,000.

Mr. Gautam made the following investments out of the capital gains arising on sale of his residential house :

- 1) Purchased a resident flat in Chennai on 30th March, 2017 for ₹55,00,000.
- 2) Purchased 3 year bonds issued by National Highway Authority of India (NHAI) for ₹10,00,000 on 5th September, 2016.

Cost Inflation Index for F.Y. 1981-82 = 100; F.Y. 2016-17 = 1125.

TURN OVER

4. (b) Mr. Manish, German citizen came to India for the first time on 15th October, 2012. **08**
He returned to Germany after staying in India upto 25th July, 2016.
Determine his Residential Status for Assessment Year : 2017-18.

OR

4. Mr. Rohan has earned the following incomes during the previous year ended on 31st March, **15**
2017. Compute his Gross Total Income for Assessment Year : 2017-18 assuming that he
is :

- Resident and Ordinarily Resident
- Resident but not Ordinarily Resident
- Non-Resident

S.No.	Particulars	Amount (₹)
1.	Dividend received in India from Foreign Companies	60,000
2.	Dividend received from Nationalised Banks in India	70,000
3.	Income earned in Turkey, half of which is received in India	80,000
4.	Income from business in Burma, controlled from India	90,000
5.	Interest Income from Singapore bank, received in India	1,00,000
6.	Interest Income on loan from Indian Companies	1,10,000
7.	Rent from house in Nashik, received in Dubai	1,20,000
8.	Past untaxed profits earned outside India, brought to India	1,30,000

5. (a) State any Eight Exemptions available under section 10 (Tax-Free Incomes) of Income **08**
Tax Act, 1961?
5. (b) Enumerate and Explain in brief, the deduction available for Interest on Borrowed **07**
Capital under section 24 of the Income Tax Act, 1961 for computing Income from
House Property.

OR

5. Write short notes (any Three) :

- Assessee
- Scientific Research Expenditure U/s 35
- Perquisites
- Short term Capital Gains
- Deduction under section - 80E

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TURN OVER