

Time: $2\frac{1}{2}$ Hours

Total Marks: 75

Please check whether you have got the right Question Paper.

N.B: 1. Attempt all questions

2. Figures to the right indicate full marks allotted to the question.

3. Working notes should form part of your answers.

4. Use of simple calculator is allowed.

5. Answers should be with reference to assessment year 2019-20.

Q1A. Fill in the blanks with appropriate answers from the bracket. (Any 8) (08)

1. _____ is not considered to be a capital asset for capital gain purpose. (urban agricultural land/ Jewellery/ Stock in Trade)
2. Listed Shares held for less than _____ months would be considered as Short term Capital assets. (12 months/ 36 months/ 24 months)
3. If the Assessee owns two houses which are self Occupied then one of them will be treated as _____ Property. (Vacant Let Out / Deemed to be Let Out/ Let Out)
4. Standard Deduction from Net annual Value of House Property under section 24 is _____. (Rs. 30000/ $1/3^{\text{rd}}$ of Net annual Value / 30% of Net annual Value)
5. Indexation is applicable to _____. (long term capital assets/short term capital assets/depreciable capital assets)
6. Deduction U/S 80 C in respect of tuition fees is allowed to an individual for maximum _____. (one child/ three children/ two children)
7. _____ is liable to pay income tax on his foreign income received in India. (Resident/ Non-resident/ Both Resident and Non- resident)
8. Indian citizen leaving India for Employment is considered as resident in India in any previous year if he stays in India for minimum of _____ days.(60/182/365)
9. Maximum Limit of deduction under section 80 C is _____. (Rs. 50000/ Rs. 1,50,000/ Rs. 2,00,000)
10. Gift of Rs. 1,00,000 received from brother is _____. (Fully Taxable/ Fully Exempt/ Taxable upto Rs. 50000)

B .State whether the following statements are True or False (Any 7) (07)

1. Residential status is different from citizenship.
2. Subletting of house property is covered under the head Income from House Property.
3. Depreciable Asset is treated as capital assets for capital gain purpose.
4. Winning from lotteries, cross word puzzles, horse races and other races, card game etc are fully exempt.
5. Assessment year is always a period of 12 month.
6. Arrears of Salary received are not taxable at all.
7. Loss on sale of Asset is not allowable as expense under income from business and profession.
8. Maximum deduction under section 80 U in case of permanent disability is Rs. 50,000
9. Exempt incomes are laid down in Section 10 of the income tax Act.
10. Cost of Medical treatment in a hospital maintained by employer to employee's spouse is a non taxable perquisite.

Q.2 A. Find out the taxable income of Mr. Shamrao Dudhe from the following particulars. (15)

Profit and Loss Account for the year ended 31-03-2019.

Particulars	Rs.	Particulars	Rs.
To Interest	61,800	By Gross Profit	3,22,700
To Repairs	36,200	By Rent from House	1,36,000
To Insurance	4,200	By Interest on PPF Account	10,000
To Depreciation	25,600		
To Compensation	10,200		
To Law Charges	51,000		
To Contribution to PPF account	23,800		
To Subscription charges	15,800		
To Net Profit	2,40,100		
Total	4,68,700	Total	4,68,700

- a) Interest includes Rs.21,200 on loan taken for reconstruction of house property let out.
- b) Repairs relating to house property let out are Rs 14,200 of the repairs debited to the above account.
- c) Compensation was paid to an employee whose dismissal was in the interest of the business.

d) Insurance includes 30% of the amount paid for fire insurance of house property let out and 20% of the amount paid for medical insurance of Mr. Shamrao to GIC.

e) Subscription includes Rs. 2,000 given for election purpose to political parties.

Find out his total income for the A.Y. 2019-20.

OR

Q.2 B Mr. Paranjpe, who is partially blind (82 %) furnishes you the following revenue statement (15) for the year ended 31-03-2019.

Compute his total income for the A.Y. 2019-20.

Revenue Statement

Particulars	Rs.	Particulars	Rs.
To Opening stock	32,000	By Sales	7,00,000
To Purchases	4,90,000	By Closing Stock	31,500
To Salaries & Wages	1,00,000	By Rent received from House	1,20,000
To Commission	39,000	By Amount received under Keyman Insurance Policy	58,000
To Office expenses	7,000		
To Depreciation	30,000		
To Income Tax	40,000		
To Interest on Housing Loan	33,000		
To Investment in National savings Certificates	32,000		
To Net Profit	1,06,500		
Total	9,09,500	Total	9,09,500

Additional Information:

- Purchases include costs of new machinery Rs. 20,000 purchased in May, 2018.
- Depreciation as per Income Tax rules is Rs 33,000.
- He Paid Rs 15,000 for Health Insurance for self.
- Commission includes an amount of Rs. 12000 paid in cash.

Q.3A. From the following particulars, compute total income of Mr. Raman Yadav for the Assessment Year 2019-20. (15)

- Salary Rs.2,00,000 per annum (Net after deduction of Tax Deducted at Source Rs.25,000 per annum.and Profession Tax Rs.2,500 per annum)
- Received arrears of salary Rs.25,000.
- He Spent Rs.2,500 on books and periodicals.
- Interest on State Government Securities Rs.7,000.
- Dividend from a co-operative society Rs.3,500
- Interest on debentures received Rs.10,000.
- Repayment of Education loan of Rs.2,50,000 taken for higher studies of his daughter and Interest repayment on Education loan Rs.30,000.
- Cash gift by the employer to daughter of Mr. Raman Yadav on the occasion her marriage Rs. 5,000.
- Paid Life Insurance Premium of Rs.35,000 by cheque.

OR

Q.3B Mr. Kailash Gawani (handicapped person 41%) joined a company X ltd on 1st April, 2018 and was paid the following emoluments and allowed perquisites as under: (15)

Emoluments:

Basic Pay

Rs. 40,000 per month

Dearness Allowance

Rs.10,000 per month

Bonus received

Rs. 60,000 per annum

Entertainment Allowance

Rs.20,000 per annum

House Rent Allowance (Exempt 5,000)

Rs.30,000 per annum

Transport Allowance

Rs.5,000 per annum

Fixed Medical Allowance

Rs. 10,000 per annum

Professional Tax

Rs. 2,500 per annum

Other information:

- He paid mediclaim premium of Rs.25,000 by cheque.
- Winning from Lotteries Rs.20,000.
- Dividend from TCS Ltd Rs.23,000.
- Rent received for sub-letting flat Rs.50,000.

Compute his taxable Income for the Assessment Year 2019-20.

Q4 A. Mr. Kungfu is a citizen of China who came to India for the first time for employment on 1st April 2014. On 1st February, 2015 he was transferred to Singapore for 3 years. He came back to India on 2nd January, 2018 and since then he is in India. Determine his residential status for the assessment year 2019-20. Give proper explanation to your answer. (08)

Q4 B. Mr. Amit acquired a house property for Rs. 7,50,000 on 31st July 1987. He made the following additions to the house property. (07)

Particulars	Amount (Rs.)
Cost of Improvement in Financial Year 2003-04	2,00,000
Cost of Improvement in Financial Year 2006-07	1,50,000

Fair Market Value of the property on 01-04-2001 was Rs.27,00,000. Amit sold the property in April, 2018 for 95,00,000. He also paid brokerage of Rs 1,25,000 for the sale of his property. He acquired a new house property during February 2019 for Rs. 25,00,000. You are required to compute his income from Capital Gains chargeable to tax for Assessment Year 2019-20.

Cost Inflation Index are as follows:

Financial Year	Cost Inflation Index
2001-02	100
2003-04	109
2006-07	122
2018-19	280

OR

Q4 C. Mr. Avinash, had the following income during the year ended on 31st March, 2019. (15)

Compute his Total Income for the assessment year 2019-20, if he is:

- A Resident.
- A Resident but not ordinary Resident
- A Non-Resident

Sr. No.	Particulars	Amount (Rs)
1.	Professional Fees received in India	25,000
2.	Income from a business in UK controlled from Mumbai	40,000
3.	Income from agriculture in Sri Lanka	35,000
4.	Rent from property in UK received in Germany	65,000
5.	Interest from deposits with Indian Bank in Mumbai	55,000
6.	Income received in Germany for services rendered in India	70,000
7.	Rent from house in Gujarat received in Singapore	10,000
8.	Dividend from Japanese company received in India	15,000

- Q.5) A) What are perquisites? State any five Non taxable perquisites? (08)
- B) State any seven expenses which are expressly disallowed while computing income from profits and gains from business/ profession. (07)

OR

- C) Write short notes on (any three) (15)
- Agricultural income
 - Capital Asset
 - State any five incomes from other sources
 - Long-Term capital asset.
 - Annual Value.
