

- N.B. :** (1) All questions are **compulsory** with internal options.
 (2) Each question carries **15** marks
 (3) Working notes forms part of answer
 (4) **Use of only simple calculator is allowed**

1. (A) Match the Following (Any 8)

Group 'A'	Group 'B'
(a) Standard Deduction u/s 24	(i) 30% of Net Annual Value
(b) Deduction u/s 16	(ii) Not taxable for Non-Resident in India
(c) Deduction u/s 80C	(iii) Fully Exempt u/s 10(10)
(d) Deduction u/s 80TTA	(iv) Limit for deduction Rs.1,50,000
(e) Deduction u/s 80U	(v) Deduction for Medical Insurance Premium paid
(f) Deduction u/s 80D	(vi) Deduction for Handicapped Resident Individual
(g) Capital Assets	(vii) Household furniture
(h) Foreign Income received Abroad	(viii) Deduction on interest on Savings Account
(i) Gratuity received by Government Employee	(ix) Entertainment Allowance received by Government Employee
(j) Income from other Sources	(x) Deduction for maintenance Handicapped dependent
	(xi) Jewellery
	(xii) Rent from subletting house property

1. (B) State whether **true/false** (Any 7)

- (1) Gift received from relatives is not taxable income
- (2) Business controlled and managed in India is taxable in India.
- (3) LIC policy matured is not treated as Income.
- (4) Shares are not treated as Capital Assets.
- (5) Salaries of MLA's are taxable under the head Income from Salary.
- (6) Capital Expenditure is not allowed as a deduction in computation of Income from Business/ Profession.
- (7) Medical Insurance premium paid in cash is allowed as a deduction u/s 80D.
- (8) Uncommuted pension is exempted u/s 10.
- (9) Assessment year can be less than 12 months.
- (10) Legal status of Mumbai University is a Local Authority.

2. From the following Profit and Loss Account of Mr. Q, a senior citizen, compute his total Taxable Income for the Assessment Year 2016-17.

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Profit and Loss Account for the year ended 31st March 2016			
Expenses	Rs.	Income	Rs.
To Salaries	1,52,000	By Gross Profit b/d	6,64,000
To Fire Insurance Premium	22,000	By Interest on Deposits State Bank of India	36,000
To Staff Welfare expenses	36,000	By Amount recived on Maturity of LIC policy	1,00,000
To Postage and Telegram	6,000		
To Interest on proprietor's capital	8,000		
To Travelling expenses	74,000		
To Miscellaneous expenses	42,000		
To Repairs and Maintenance	14,000		
To Donation	10,000		
To Advertisement expenses	40,000		
To Reserve for doubtful debts	10,000		
To Depreciation	20,000		
To Sales Tax paid	8,000		
To Advance Income Tax	6,000		
To Income Tax paid for P.Y. 2014-15	2,000		
To Net Profit	3,50,000		
	8,00,000		<u>8,00,000</u>

Additional Information:

- (1) Depreciation as per Income Tax Rules is Rs. 30,000/-
- (2) Paid for self, medical Insurance Premium of Rs. 26,000/- by cheque.
- (3) Advertisement expenses include Rs. 15,000/- spent on advertising in a magazine published by a political party.
- (4) Repairs and maintenance include Household expenses of Rs. 2,000/-

OR

[Turn Over

2. Dr. Mansukh is a medical practitioner. Besides his own practice he works as a part time physician in a private hospital for which he receives a monthly remuneration. He is also a consultant physician of Tushar Industries Pvt. Ltd. on a monthly retainer fee. The doctor maintained a record of his receipts and payments for the year ended 31st March, 2016 and the following information is abstracted therefrom:

Receipts:	Rs.
Consultation Fees received	1,60,000
Gross Remuneration from the private hospital	24,000
Retainer fee from Tushar Industries Pvt. Ltd.	6,000
Payments	
For Medical Insurance to GIC on health for self	1,900
Rent and Electricity	12,000
Telephone Charges	2,400
Printing and Stationary	500
Wages of clinical assistance	39,880
Driver's Salary	6,400
Interest on loan taken for higher education of daughter	27,500
Car Maintenance Expenses	12,000

The written down value of the car and the furniture of the clinic as on 1st April 2015 were Rs. 50,000 and Rs. 3000 respectively. Depreciation allowable @ 20% on the car and 10% on furniture. 20% of the use of telephone and Car is attributable to personal and private purposes.

Compute Income from Profession of Dr. Mansukh for the A Y 2016-17. **15**

3. From the following particulars compute net taxable income of Mr. Krishnamoorthy, working for XYZ Ltd., in Mumbai, for the A.Y. 2016-17: **15**

- (a) His net salary is @ Rs.25,800/- per month. The following monthly deductions were made from salary:
- Professional Tax @ Rs.200
 - Provident Fund @ Rs.2,500
 - TDS @ Rs.1,500
- (b) He received part time salary @ Rs.5,000 per month from November, 2015 from another company.
- (c) Gift received from parents Rs.66,000 and loan taken from brother Rs.1,00,000

[Turn Over

- (d) Mediciam Premium paid is Rs.11,230/- in cash.
 (e) Purchased NSC (VIII Issue) of Rs.40,000 while interest received on bank of deposit is Rs.12,228. Dividend from Credit Co-operative Society received during the year amounted to Rs.23,560.
 (f) Leave salary received Rs.30,000/- for leave encashed during the year.
 (g) Bonus- 2 months of salary, was received in November 2015 separately, which is not considered in his net monthly salary.
 (h) His income from horse race betting's amounted Rs.5,000/-

OR

3. (A) Ajay purchases a house property for Rs. 2,54,800 on January 16, 1977. 8
 The following expenses are incurred by him for making additions/alterations to the house property:

Cost of Construction of First Floor in 1992-93 Rs. 1,70,000

Alteration/reconstruction of the property in 2004-05 Rs. 60,000

Fair Market Value of the property on April 1, 1981 is Rs. 2,25,000. The house property is sold by Ajit on June 27, 2015 for Rs. 65,90,000. Expenses incurred on transfer is Rs. 55,000. Calculate the taxable amount of Capital Gain.

[The cost inflation index for FY 1981-82 is 100; for F.Y. 1992-93 is 223; for F.Y. 2004-05 is 480 and for F.Y. 2015-16 is 1081.]

- (B) From the following particulars submitted by Miss Sangita, an Ordinary Resident, compute her income from other sources for the AY 2016-17.

Particulars	Amount
Agriculture income from Nepal	8000
Agriculture income from land situated in India	16000
Rent from sub-letting of a flat (rent paid to landlord for the flat is Rs. 42,000)	48000
Interest	
(a) from bank on FDR	12000
(b) on post office saving account	6000
(c) on Debenture	4000
(d) on Public Provident Fund account	3500
Royalty from Books	7000
Lottery prize	25000
Director's meeting fees received from Y Ltd	2500

Miss Sangita spent Rs.500/- for Typing of books on which she has received Royalty. She had also spent Rs. 800 for the purchase of lottery tickets and received the prize on one ticket.

4. Mr. Ashok owns a building consisting of three identical units whose construction was completed on 31st January 2015. The building was occupied from 1st April 2015 onwards. The particulars pertaining to the three units for the year ended 31st March 2016 are given below:

Nature of occupation : unit 1 Self Occupied for residence; Unit 2 Let out for residence; Unit 3 used for Own Business.

Particulars	Unit 1 (Rs)	Unit 2 (Rs.)	Unit 3 (Rs.)
Fair Rent	6,00,000	6,00,000	6,00,000
Rent Received	-	7,20,000	
Municipal Taxes			
-----paid	30,000	50,000	30,000
-----due but not yet paid	30,000	50,000	30,000
Land Revenue Due but Outstanding	11,200	11,200	11,200
Ground Rent Due but not paid	22,400	22,400	22,400
Vacancy Period	-	2 months	-

On 1st April, 2013 he had borrowed a sum of Rs. 5,00,000 bearing interest rate of 12% p.a. for construction of this building. No principal amount has been repaid till 31st March 2016.

Compute the income from house property of Mr. Ashok for the Assessment year 2016-17. 15

OR

4. Mr. X, a French national visits India for the first time on 1st September 2012 and continues to stay here till 15th October 2014. On 15th October 2014 he leaves India for Singapore and returns to India only on 1st January 2016. His income details are as follows:

1. Income from business in Singapore controlled from Dubai Rs. 5,00,000
2. Dividend from Saraswat Co-operative Bank, Mumbai Rs. 25,000
3. Profit on sale of property in Dubai. 50% received in India Rs. 10,00,000
4. Dividend from Microsoft USA, 40% received in India Rs. 75,000
5. Profit from business in Dubai, partly controlled from India Rs. 2,00,000
6. Dividend from UTI Mutual Fund received in Dubai Rs. 30,000
7. Untaxed income of previous year 2010-11 brought in India Rs. 5,00,000

[Turn Over

5. (A) Explain any eight types of income covered under the term 'Income' as per Section 2 (24) of Income Tax Act, 1961. 8
- (B) Enumerate any seven Incomes which are Exempt under section 10 of Income Tax Act, 1961. 7

OR

5. Write Short Notes (any 3)

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- (1) Exemption u/s 10(10AA) for leave salary.
 - (2) Short term Capital Asset
 - (3) Income from Other Sources- Family Pension
 - (4) Gross Annual Value of House Property
 - (5) Deduction u/s 80U.
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