

Time: 2:30 hours

Marks: 75

(8 marks)

Q.1] (A) Match the following: (Any Eight)

1	Due date of payment of Advance Tax for an individual	A	Clubbing of losses
2	Clubbing of income	B	If tax payable is Rs 10,000 or more
3	Advance tax payable	C	Return furnished after due date
4	Belated return	D	TDS on interest
5	Section 194 A	E	Payment to Resident contractor
6	Section 194 C	F	Section 70
7	An Indian company	G	4 years
8	Dividend from Indian company	H	15 th September
9	Speculative loss can be carried forward for	I	Exempt u/s 10
10	Set-off under the same head	J	Ordinarily Resident

Q.1] (B) Fill in the blanks: (Any seven)

(7 Marks)

- Clubbing of Income aims to prevent avoidance by _____ of income.
a) Diversion b) Double taxation c) Taxation.
- Capital loss can be set-off against _____.
a) Salaries b) Capital gain c) business income.
- TDS to be deducted @ _____ in case of Individual /HUF u/s 194C.
a) 10% b) 1% c) 2%.
- _____ aims to prevent tax avoidance by diversion of income.
a) Double Taxation b) Clubbing of income c) Set-off.
- Minor child includes _____ Child.
a) Step b) neighbor c) Orphan.
- Person who _____ payment is responsible to deduct tax at source and deposit the same to Government treasury .
a) make b) receive c) transfer .
- Long term capital loss can be set-off against _____.
a) Long term capital Gain b) Speculative Income c) Short term capital gain.
- Transfer of income without transfer of asset would be taxable in the hands of _____.
a) Transferor only b) Transferee c) the person who has higher income .
- Partner's share in the profit of the firm is _____.
a) taxable b) not taxable c) ignored.
- Speculative loss can be set-off against _____.
a) Speculative Income b) Business Income c) Income from other sources.

Q.2] (A) Ms. Gauri submits the following information for the year ending.

(8 Marks)

Particulars	Amount (Rs.)
Income from Salaries Rs. 10,000 p.m.	1,20,000
Income from House Property:-	
House Property at Pune LOHP	1,00,000
House at Mumbai SOHP	20,000
Profits and Gains of Business:-	
Business	65,000
Capital Gains:-	
Short Term Capital Loss	45,000
Long Term Capital Gains	15,000
Income from other Sources:-	
Interest on Securities (NET)	36,000
TDS on Interest on deposit	4,000
Interest on loan borrowed to invest in Securities	44,000

Determine Total Income and Carry Forward Losses, if any.

Q.2] (B) The income of a family as under:

(7 Marks)

- Mr. Varun from business Rs. 50,000.
- Mrs. Varun from employment Rs. 40,000.
- Minor son of Mr. Varun (interest from a company) Rs. 10,000.
- Minor son of Mr. Varun, Rudra (from acting in film) Rs.60,000.
- Minor daughter to Mr. Varun, Miss Vandana Rs. 6,000.

Discuss in whose hands the income are assessed and to what extent.

OR

(15 Marks)

Q.2] Mrs. Rashmi submits the following information for the year ending 31/03/2017:

Particulars	Rs	Rs
Income from salaries Rs. 5,000 pm	60,000	
Income from house property		
House 1	16,000	
House-2	(-) 20,000	
House -3 (self-occupied property)	(-) 12,000	(16,000)
Profits and gains of business/profession		
Business A	(-)25,000	
Business B (Speculative)	35,000	10,000
Capital gains		
Short term capital loss	(-)18,000	
Long term capital gain	10,000	(8,000)
Income from other sources		
Income from betting	9,000	
Loss on maintenance of race horses	(-) 12,000	
Interest on securities (gross)	18,000	
Interest on loan borrowed to invest in securities	20,000	(2,000)

Determine the Gross total income for the assessment year 2017-18 and also compute the amount of loss that can be carried forward to the subsequent years.

Q.3] Mr. Shah stage artist entrusts his accounts for the assessment year 2017-18. From an analysis of the Bank accounts, you notice the following:

Particulars	Rs
i) Concert receipts (local)	1,74,000
ii) Receipts from film producers and companies	78,000
iii) Royalty receipts from companies on records sold	10,000
iv) Amount from Life Insurance Corporation on a maturity of a policy in the name of wife	26,000
v) Interest on saving bank accounts	650
vi) Interest on fixed deposits with Bank	9,500
vii) Cost of train and air tickets for a party taken by Mr. Shah on a concert tour of Calcutta, Shilong and Guwahati	14,000
viii) Payments to accompanying artists for the above	8,000
ix) Concrete receipts on the tour of Eastern India Region	65,000
x) Motor Car expenses-Car used to attend concerts recording sessions etc.	18,000
xi) Rent paid (Half premises used for professional purposes)	9,000

Mr. Shah also trains disciples in his spare time and in the relevant year; he collected from his disciples Rs. 12,000 in cash which were utilized to meet the household expenses. Mr. Shah has some agricultural lands in his ancestral village and during the year, he received Rs. 4,000 by way of sale of paddy. His father had left him some government securities on which he collected interest (gross) of Rs. 1,200 in the year. He paid Rs. 5,850 towards LIP premium and Rs. 18,000 towards Medical Insurance for self, spouse and dependent parent who are senior citizens. **Compute Shah's total income**

OR

Q.3] Mr. Ajay, a practicing Chartered Accountant, gives you the following Receipts and Payment Account for the year ended 31st March 2017.

Receipts	Rs	Payments	Rs
To Balance b/f (1-4-2016)	9,000	By Salary to Staff	80,000
To Professional Fess	1,50,000	By Printing and Stationery	5,500
To Gift from Father	15,000	By Household Expenses	22,400
To Present from a Client	15,000	By Conveyance Expenses	9,000
To Salary from College as a Lecturer	45,000	By General Expenses	20,000
To Loan from a Bank for purchase of Car	50,000	By Purchase of Car in July 2016	1,00,000
		By Motor Car Expenses	20,000
		By Mediclaim Insurance Premium (Paid by cheque)	6,500
		By Interest on Bank loan for Car	5,000
		By Income Tax	8,500
		By Professional Tax	800
		By Balance c/f	6,300
	2,84,000		2,84,000

Other Information:

- (1) Depreciation allowable on motor car, as per income tax Rules is Rs.20%
- (2) It is considered that 25% of the car expenses are for personal use.
- (3) Household expenses include Rs. 1,000 given as a marriage gift to an employee.
- (4) Salary Includes Rs. 12,000 paid to son, who is commerce graduate. (seems to be reasonable)
- (5) General expenses include-Interest of Rs. 10,500 on loan for higher education of his son.

Compute the taxable income and tax of Mr. Ajay for the Assessment year 2017-18.

Q.4] (A)

(8 marks)

XYZ firm made the following payments of advance tax during the previous year 2016-17:

	Rs In Lakh
September 15, 2016	7.00
December 15, 2016	7.75
March 15, 2017	13.00
	27.75

The return of income is filed on 31.07.2017 showing

Business Income	Rs. 80 Lakh
Long Term Capital Gain Taxable @20% (as on 01-12-2016)	Rs. 20 Lakh

Compute interest payable u/s 234C

Q.4] (B) Khushi Ltd., makes the following payments during the Financial Year 2016-17

(7 Marks)

No	Paid to	Nature of Payment	Rs
i)	Joshi & Co.	Audit Fees	18,000
ii)	Mhatre and Co.	Account writing fees	35,000
iii)	Mhatre and Co.	Reimbursement of out of pocket expenses (Under Separate Bill)	20,000
iv)	Mishra and Co.	Fees for Interior Decoration : Office	40,000
v)	Jain & Co.	Brokerage for arranging office on Rental Basis	2,000

Determine on which of the above payments tax is to be deducted as source for the assessment year 2017-18.

OR

Q.4] Sanjay, a Resident Indian, has derived the following incomes for the previous year relevant to the assessment year 2017-18

Particulars	Rs
1. Income from Profession	2,84,000
2. Rent from House Property in country A Rs.10,000 p.m. received there, municipal tax paid in that country Rs.20,000 (tax paid in country A for his income in equivalent Indian Rupees 10,000 on the net income of Rs.1,00,000	
3. royalty on books from foreign country B (tax paid in country B @ 20%) converted in Indian rupees	7,00,000
4. The expenses incurred for earning royalty	1,00,000
5. Interest from scheduled Banks	18,000

Sanjay wishes to know whether he is eligible to any double taxation relief and if so, its quantum India does not have any Double Taxation Avoidance Agreement with Countries A & B.

Q.5] A) Explain "Compulsory filing of Return of Income".

(8 Marks)

B) What are the salient features of the scheme of taxation of firms?

(7 Marks)

OR

Q.5] Write short notes on: (Any Three)

(15 Marks)

- Due date return
- Revocable Transfer
- Interest other than interest on securities (section 194 A)
- Interest paid by firm to partners (section 40(b))
- Rebate from Tax (section 87 A)
