

2

SYBAF
415118
2 to 4.30

Taxation
Time: 2:30 Hours

Q. P. Code: 36204

Marks: 75

Please check whether you have got the right question paper.

200

Pages-4

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.
5. Working should for part of answer.

Q.1A) State True or False: Re- write the sentence (Attempt any eight) (08)

1. As per section 64 (1A) incomes accruing to a minor shall be clubbed in the income of father or mother at their option.
2. When income of minor child is clubbed in the income of the parent concerned, such parent will be allowed exemption of Rs.1500 per child.
3. Business loss is not eligible for set off against income from salaries.
4. Speculation losses may be set off against non-speculative profits.
5. TDS @2% will be applicable on rent of plant, machinery of equipment.
6. As per section 194J, tax is to be deducted @ 5% from the payments covered under section 194J.
7. Section 234B provides for levy of interest @ 2% per month
8. DTAA provisions are made vide section 90.
9. Advance tax is payable in 3 installments by a non-corporate assessee.
10. Every person, being a company, has to file its return of income only if it has any positive income or if it wants to carry forward the loss if any.

B) Fill in the blanks with correct options: Re-write the sentence (Attempt any seven) (07)

1. TDS applicable on commission is ___ %.(15/ 2/ 5)
2. First due date of payment of advance tax of individual is _____.(15th Sept/ 15th June/ 15th Dec)
3. Due date of return of income for company is _____.(31st March/30th Sept/ 31st Oct)
4. Dividend from Indian Company is _____.(Taxable/exempt/ partly exempt)
5. The assessee is liable to pay interest _____ for every month under section 234A.(1%/1.5%/2%)
6. Business loss can be set off against _____.(Salary /Business income/ Winning income)
7. Interest paid to partners on their capital cannot exceed _____.(10/18/12)
8. TDS under section 192 is deducted .(5%/15%/Average Rate)
9. If rent is paid for land and Building , TDS is to be deducted @ _____% (2% /10% /20%)
10. Short term capital loss can be set of against _____ income.(Business income, Salary ,Long term capital gain)

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Q2) Given below is the profit and loss account of partnership firm (XYZ) for the year ended 31st March 2017. (15)

Particulars	Rs.	Particulars	Rs.
To Purchase	15,35,000	By Sales	35,00,000
TO Direct and Indirect Expenses	7,35,000	By Interest on Securities	45,000
To Depreciation	2,20,000	(NET) (TDS-Rs.5,000)	
To Interest to Partners	2,00,000		
To Salaries to Partners	6,60,000		
(X- 2,50,000, Y-200,000 Z-2,10,000)			
To Net profit	1,95,000		
	35,45,000		35,45,000

Other information:

1. Depreciation allowable as per section 32 is Rs. 1, 70,000.
 2. Purchases include a bill from a supplier for Rs.35,000 which was paid in cash.
 3. The firm has three partners X, Y, Z . They share profits in the ratio 4:3:3. Z is a sleeping partner.
 4. Interest is paid to partners @ 20%p.a. and authorized in the partnership deed.
 5. Salaries authorized by partnership deed are paid to all partners .
- Compute the taxable income of the firm for the assessment year 2017-2018.

OR

Q2 A) Mr. Suraj Vike is an employee of L&T Ltd , and has substantial interest in the company. His salary is Rs.30,000 p.m. Mrs. Suraj Vike also is working in that company at a salary of Rs. 11,000 p.m. without any professional qualification, Mr. Suraj also receives Rs.20,000 as income from securities. Mrs. Suraj owns a house property which she has let out. Income from house property is Rs.1,00,800. Both the husband and the wife have three minor children- two twin daughters and one son. Income of the twin daughters is Rs.2, 000 p.a. each and that of his son is Rs.1,200 p.a. .Compute the Income of Mr. Suraj Vike and Mrs, Suraj Vike for assessment year 2017-2018. (8)

B) MR. Khanna is a doctor. His tax liability for the financial year 2016-17 amounted to Rs. 12,400. The due date of filing the return of income in his case is 31st July, 2017. On 1st August, 2017 he paid tax of Rs.12, 400 and filed the return of income. Will he liable to pay interest under section 234A and 234B if Yes Calculate the same (7)

Q.3) Mr. Rahul a resident individual, submits the following information relevant for the previous year ending 31st March, 2017: (15)

Particulars	Rs.
Income from Salary	16,00,000
Income from House property:	
House I	70,000
House II	(-)52,000
House III	(-)25,000
Profits and Gains from Business or Profession:	
Business I	2,00,000
Business II	(-)75,000
Business III(Speculative)	(-)60,000
Business IV(Speculative)	72,000
Capital Gains:	
Short Term Capital Loss	(-)83,000
Long Term capital gains on transfer of preference shares	70,000
Income from other Sources:	
Income from card Games	80,000
Loss on Maintenance of horse race	(-)1,20,000
Income from owning and maintaining camels race	2,00,000

Determine the Net Income for the assessment year 2017-2018.

OR

Q3A) Ruchira Ltd. Has made payments on various dates in financial year 2016-2017 to Raja Ltd, towards work done under different contracts as follows: (08)

Contract Number	Date of Payment	Amount (Rs.)
1	05/05/2016	20,000
2	06/06/2016	18,000
3	08/08/2016	22,000
4	10/09/2016	47,000
5	10/10/2016	10,000

Ruchira Ltd. Claims that it is not liable to deduction of tax at source under section 194C. Examine the correctness of the claim made by the company. What would be the position if the value of the contract no. 5 is Rs 5,000 and there is no other contract during the year.

Q3.B) Compute the amount of tax to be deducted at source on the following payments made by M/s Shreya Ltd. During the financial year 2015-16, as per the provisions of the Income Tax Act, 1961. (07)

Sr.No.	Date	Nature of Payment
1	01/10/2016	Payment of Rs. 2, 00,000 to Mr. " X" a transporter who is having PAN.
2	01/11/2016	Payment of fees for technical services of Rs.50,000 to Mr. Ram who is having PAN.
3	30/06/2016	Payment of Rs.28,000 to M/s XYZ LTD. For repair of building.
4	01/01/2017	Payment of Rs.2, 00,000 made to Mr. A for purchase of diaries made according to specifications of M/s Shreya Ltd. . However, no material was supplied for such diaries to Mr. A by M/s Shreya Ltd.
5	01/02/2017	Payment of commission of Rs. 18,000 to Mr. Y

Q4) Ms. Krupali, a resident individual aged 62 years and a retired employee of the Prasar Bharati is a reputed signer deriving income of Rs.1, 00,000 each from music concerts performed abroad in two different countries. Total tax of Rs.20, 000 was deducted in the country where the concerts were performed. India does not have any DTAA under section, 90 of the Income tax act, 1961 with that country. Her income in India amounted to Rs. 3, 95,000. Compute the tax liability of Krupali, for the assessment year 2017-2018. (15)

OR

Q4) Ms. Manasi is running a provision shop. Tax liability of Ms. Manasi for the year is Rs. 50,000. She has paid advance tax of Rs.40, 500 on 15th March. Balance tax of Rs.9, 500 is paid by her on 31/12/2017 at the time of filing the return of income . Will she be liable to pay interest under section 234A, 234B or 234C ? if yes calculate the same (due date of filing return is 31/07/2017) (15)

Q5) A) Discuss the provisions on income of Minor child. (8)

B) Discuss the provisions of section 70 (Inter – Source Adjustment) (7)

OR

Q5) Write short notes on(Any three) (15)

1. Double Taxation Relief
2. Installment of advance tax and due dates
3. Provisions of section 194A.
4. Defective Return
5. Losses in speculation business
