

Time : 2 & ½ Hours

Marks : 75

Instructions:

1. All questions are compulsory; subject to internal choice.
2. Use of a simple calculator is allowed.
3. Working note should form part of your answer.

Q1(a) Multiple Choice Questions :-

8M

- 1) Municipal tax paid in respect of house property is allowed as deduction if paid by _____
 (a) Tenant
 (b) Owner
 (c) Both a & b
- 2) Residential status is to be determined for _____
 (a) Previous year
 (b) Assessment year
 (c) Accounting year
- 3) Capital gain on transfer of depreciable assets is always _____
 (a) Short term gain
 (b) Short term loss
 (c) Both a & b
- 4) Following will be taxable as income from house property _____
 (a) Sub-letting of a house
 (b) Letting of an office building
 (c) Sale of house at profit
- 5) The deduction u/s E Is allowed for repayment of interest to the extent of _____
 (a) Rs 50,000
 (b) Rs 1,00,000
 (c) An amount paid as interest during the year
- 6) Agriculture income from Bangladesh is taxable under the head _____
 (a) Income from salary
 (b) Income from business and profession
 (c) Income from other sources
- 7) Gross tax liability is calculated on _____
 (a) Gross total income
 (b) Net taxable income
 (c) Income
- 8) Income tax act extends to _____
 (a) Whole of India
 (b) Whole of India except Jammu & Kashmir
 (c) Whole of Maharashtra only.

(b) Match the pair:-

7M

1)	Column A	Column B
	a) Narayanan Murthy	a) Deduction from salary
	b) professional tax	b) 80D
	c) Net Annual Value	c) 80E
	d) Provisions for bad debts	d) Capital assets
	e) Jewellery	e) Not deductible at all
	f) Interest on loan for higher education	f) Gross Annual Value less Municipal taxes paid

What is his residential status for the assessment year 16-17?

- B) From the following information of Mr Sandy for the previous year 15-2016 compute the gross total income for the assessment year 2016-2017 if he is 7M
- ROR
 - RNOR
 - NR

Rent from house in Kolkata	Rs. 15,000
Income from agriculture in japan	30,000
Dividend from Obama from American company received in USA	45,000
Rent of commercial property in UK credited to bank A/c in UK	60,000
Income from business in Dubai, controlled from Mumbai	75,000
Past untaxed income earned in Brazil brought in India during the previous year 2014-2015	90,000
Royalties from Indian company, received in UK	1,05,000

OR

- C) From the following information, compute the income under-“Income from other sources”, of Mr. Dilip . 15M
- Income from agricultural land in India –Rs12000
 - Income from agricultural land in Nepal- Rs 10,000.
 - Mr Dilip is a tenant of Mr Sunil in respect of a bungalow in Goa. Mr Dilip has in turn rented the Bungalow to Kapil for a rent for Rs 1,000 per month. Dilip pays rent of Rs 500 per month to Mr Sunil.
 - Interest earned
 - Interest on deposits with bank-Rs 500.
 - Interest on public provident fund –Rs 1,000.
 - interest on government securities (Net-Rs 12,000; tax deducted at sources Rs 1,200)
 - Lottery price-(Net Rs 50,000 ; Tax Deducted at sources Rs 20,000).he had purchased lottery tickets worth Rs 3,000.
He received a refund from the income tax department pertaining to the assessment year 2008-2009; amounting to excess income tax Rs 2,000 and interest Rs = Rs2500

Q.3

- A) Mr.Nitin is a Finance executive of Godrej & lever Ltd. During the year he took voluntary retirement from the company on 31-12-2015 as per terms and conditions offered by the company on voluntary retirement he received Rs.6,50,000 and was entitled in a pension of Rs,10,000 p.m. for the next 5 years.

His other emoluments during the year ended 31st march,2016.were as follows:-

- Gross salary up to 31-12-2015.Rs.65,000
- Entertainment allowance Rs.7, 500 p.m.
- Rent free accommodation provided by the company valued at Rs.26,000
- Mediclaim premium paid by the company valued at Rs.5,200
- Leave salary encashment for the year 2014-2015 received in June 2015. Rs.1,60,000

The following were deducted from his salary every month till his retirement :

- Tax deducted at source Rs.7,500
- Professional tax Rs.750

Compute the taxable salary of Mr. Nitin for the assessment year 2016-2017 8M

PQ10ABH

Brokerage paid @ sale Rs 3,289

(Compute the capital gain for A.Y 2016-2017.)

(Cost Of Inflation Index : 1999-2000 :-389 ,2015-2016:

OR

- C) Mr Kunal is the owner of Two house property from the following information furnished by him for the year ending 31st march 2016. 15M

Compute the taxable income for A.Y 2016-2017.

Particulars	Property 1	Property 2
Nature of occupancy	Self-occupied	Let out for business
Annual rateable value	20,000	30,000
Construction commenced on	1-4-2005	1-4-2004
Construction completed on	1-4-2006	28-2-2007
Municipal tax paid for period 15-16	8,000	9600
Insurance premium paid for period 1-0-2014 to 30-9-2015:	2,000	2,000
Interest on loan borrowed for construction	6,000	6,000

Q.4

- A) From the following profit and loss account of X for the year ending 31st march 2016 compute his Business Income : 15M

Particulars	Rs	Particulars	Rs
To Office salaries	15,000	By Gross profit	1,30,000
To General expenses	8,500	By Interest on bank deposits	4,100
To Interest on capital of X	3,000	By Interest on company deposits	7,600
To Bad debt reserve	5,000	By Refund of income tax for A.Y.2012-13	1,000
To Depreciation	15,000		
To Advertisement	9,000		
To Fire insurance premium	1,200		
To Donation	5,000		
To Advance Income Tax	4,000		
To Sales tax paid	5,000		
To Income tax for 2013-2014	3,000		
To Net profit	69,000		
	1,42,700		1,42,700

Following additional information is given:-

(a) Allowable depreciation was Rs 10,000.

(b) General expenses include furniture purchased worth Rs 2,500.

(c) Office salaries include salaries paid to Mrs X Rs 3,000 . Mrs X B.com .writes the accounts of the business.

Advertisement includes Rs 2,500 for the advertisement in souvenir of a political party.

OR

- B) Dr Ram Bharose is employed with Bhagwan Hospital as a full time Doctor following are details of his income for the year ended 31st March 2016 15M

- (e) Entertainment allowance Rs 500 p.m.
 (f) Arrears of salary Rs 6,000.
 (g) Professional tax deducted by hospital Rs.2,400
 (h) Best Doctor Award given to him by Bhagwan Hospital Rs 2,500.
 (i) He was selected the best surgeon by the state government and was awarded "The Dhanvantari" award instituted in public interest Rs 10,000.
 (j) He received honorarium for presenting papers in various seminars Rs 3,000.
 (k) He was owning a surgical equipment which was given on hire to Dr. Laxman Prasad. Hire charges received by him were Rs 30,000.the expenses on maintenance to Rs 2,500 and allowance depreciation Rs 4,500.
 (l) He paid Rs 16,000 by cash to LIC for pension fund.
- He paid by cheque for medical insurance as follows :
- | | | |
|-------|----------------------|---------------|
| (i) | For self- | 12,670 |
| (ii) | For wife- | 12,670 |
| (iii) | Dependent children- | 12,670 |
| (iv) | Independent parents- | <u>12,670</u> |
| | | <u>50,680</u> |

Q.5 Short note attempt (any three) :-

15M

- A) Long term capital gain
 B) 80 D
 C) Assessment year
 D) Deemed to be let out property
 E) Taxable perquisites