

24/03/2014

SYBMS  
Direct & Indirect Taxes

MN3AAN

Time : 2 Hrs.

Marks: 60

## Instructions:

1. Figures to the right indicate full marks
2. Use of simple calculator is allowed.
3. All workings should form part of the answers.

- Q1.** Yogesh provides you the following details of his income during the previous year 2012-13. You are required to compute his total income from the same for the said year.
1. Salary received from Century Textiles Ltd. Rs. 245000.
  2. Bonus received during the year Rs.22000.
  3. Perquisite value of Holiday home facility at Simla Rs. 35000.
  4. House rent allowance received during the year Rs.60000. (exempt Rs.48000).
  5. Profession tax deducted from salary Rs.2500.
  6. Rent received from let out house Rs. 84000.
  7. Rent received from vehicles let out Rs. 42000.
  8. Municipal tax paid for let out house Rs.4000.
  9. Interest on housing loan borrowed for the same Rs. 15000.
  10. Dividend on shares of Deepak Fertilisers Ltd. Rs.4500.
  11. Interest on saving bank A/c. Rs.3250.
  12. Winnings from crosswords Rs. 1500.
  13. During the year he deposited Rs. 30000 in PPF A/c. and paid Life insurance premium of Rs. 12000. He also paid a mediclaim premium for himself and his wife Rs.16000 by cheque.

(15)

OR

- Q1.** Jogesh is running a business of buying and selling gift articles. He provides you the following information for the year 2012-13. You are required to compute his total income from the same for the said year.

**Profit & Loss A/c. for the year 2012-13.**

Particulars	Rs.	Particulars	Rs.
To Salaries	85000	By gross profit b/d.	465000
To rent	96000	By dividend on shares of	
To insurance	44000	Indian companies.	12000
To bad debts	4000	By dividend on shares of	
To RDD	6000	foreign companies	18000
TO depreciation	25000	By winnings from lotteries	5000
To advertising	17000		
To printing & stationery	8000		
To life insurance	14000		
To Income tax	12000		
To travelling expenses	19200		



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To telephone expenses	9800		
To Net profit c/d.	160000		
	500000		500000

Additional information:

1. Salaries include an amount of Rs.8500 paid by Jogesh to his son (considered to be unreasonable).
2. Depreciation as per Income tax rules is Rs. 18000.
3. Travelling expenses include personal travelling expenses of Jogesh Rs. 4500.
4. Advertising expenses of Rs. 3000 are paid to a political party.
5. Rent of Rs. 4000 included in the above was paid for residence of Jogesh.
6. During the year Jogesh paid a mediclaim premium for himself Rs. 14500.
7. He also deposited Rs. 12000 in Public Provident Fund A/c.

(15)

- Q2. A)** Rohan is the owner of 2 house properties, one in Mumbai and other in Pune. The details of both the houses for the year 2012-13 are as follows.

PARTICULARS	MUMBAI (LOP)	PUNE (SOP)
Municipal Valuation	1,25,000	1,10,000
Fair Rent	1,20,000	1,00,000
Rent Receivable	15,000 (P.M)	NIL
Vacancy Period	2 MONTHS	NIL
Unrealised Rent	1 MONTH	NIL
Municipal Taxes Paid	10000	7000
Insurance Paid	15000	12000
Interest on housing loan Paid	17500	13000
Unrealised rent of 2011-12 received in current year	20000	NIL

(10)

**B)** Pawan sells his house property during the previous year 2012-13.

1. Sale consideration on 14.05.2012 Rs.6000000.
2. Cost of acquisition in the year 2000-01 Rs.1700000.
3. Renovation of house during the year 2007-08 Rs.400000.
4. Brokerage paid at the time of sale is 2% of sale price.

Compute the capital gain for assessment year 2013-14.

[CII of 2012-13 is 852 and 2007-08 is 551 and for 2000-01 is 406]

(5)

OR

- Q2. A)** Mayur, an Indian citizen, furnishes you the following information for the yr 2012-13. Calculate the total income of Mayur if he is ROR/ RNOR/ NR. (10)

1. Interest on Nepal Development Bonds. 27000



- Q3** A) From the following information of Pankaj regarding his details of transactions during the year compute his net taxable income from business for the financial year 2012-13. (10)
1. The net profit as per P/L/ A.c. is Rs.145250.
  2. The P/L/ a/c. is debited with a rent of Rs. 14000 which includes rent of Rs. 2500 for his own residence.
  3. Advertising expenses of Rs. 4500 were paid to a political party.
  4. The insurance of Rs. 45000 includes Rs. 14000 which was paid for life insurance of Pankaj himself.
  5. Travelling expenses of Rs. 9000 were spent by Pankaj for travelling to his native place with his family.
  6. Depreciation debited in P/L a/c. was Rs. 15000 whereas depreciation as per income tax rules allowable is Rs. 13500.
  7. Dividend of Rs.2000 from HCC Ltd. And dividend of Rs. 3500 from foreign companies was also credited to the P/L a/c.
  8. Salary included a sum of Rs. 16000 which was paid to his wife and considered unreasonable.
  9. Electricity charges of Rs. 4000 were left unrecorded in the books.

- B) Explain the following concepts. (5)
- 1) Business Auxilliary Services
  - 2) Courier Services.

- Q4.** A) Explain the following (any two): (10)
1. Conditions for residential status of an Individual.
  2. Gross Annual value of house property.
  3. Deductions from total income u/s/80C.

- B) The details of sales and purchases of Mr. Ajay for the financial year 2012-13 are as follows . Ascertain whether he is liable for payment of sales tax. (5)

Particulars	Purchases within Maharashtra	Purchases from outside Maharashtra	Total Purchases	Total Sales
Taxable Goods	12000	20000	32000	35200
Tax free goods	40000	8000	48000	52800
Total	52000	28000	80000	88000

OR

- Q4.** A) Explain the following (any two): (10)
1. Income.
  2. Capital Assets & capital gains.
  3. Scope of total income.



(1/3 received in India)	
2. Income from agriculture in Bangladesh.	25000
3. Rent from property in Japan received outside India	9000
4. Income earned from business in London. (Rs 15000 received in India)	40000
5. Interest paid by an Indian company but received outside India.	8000
6. Past untaxed profits brought to India.	52000
7. Profit from business in Thane but managed from outside India.	20000
8. Profit from sale of building in Mumbai but received in Sri Lanka..	10000
9. Pension from Indian employer in India received in Rangoon	15000
10. Interest on bank accounts in India.	2000

**B)** Suhas came to India for the first time on 28<sup>th</sup> September 2010 & stayed in India from that date. What is his residential status for the previous year ending on 31<sup>st</sup> March 2013? (5)

**Q3. A)** Ashish is the employee of Omega Ltd. He opted for voluntary retirement on 31<sup>st</sup> March 2013. He provides you the following information for the year ended 31<sup>st</sup> March 2013.

Basic Salary per month	Rs. 25000
Dearness Allowance per month	Rs. 4000
Bonus received	Rs. 20000.
Perquisite value of car	Rs. 20000
H.R.A. received per month (exempt Rs 2000 p.m.)	Rs. 4500
Employer's contribution to RPF @ 13% of salary	Rs. 45240
Profession tax deducted from salary	Rs. 2500
Perquisite value of gas, water & electricity supply	Rs. 15000
Gratuity received. (exempt Rs. 345000)	Rs.745000
Uncommuted pension p.m.	Rs. 7000

Calculate the net taxable income from salary of Ashish for the A.Y. 2012 -13. (10)

**B)** Mayank provides you the details of incomes earned by him during the p.y. 20012-13. Compute his income from other sources for the same. (5)

1. Dividend on shares of foreign companies	Rs. 6500
2. Dividend on shares of Indian companies	Rs. 8000
3. Winnings from lotteries	Rs. 2500
4. Royalty received on books written by him	Rs. 17000
5. Dividend on units of UTI	Rs. 4600
6. Rent from let out house.	Rs. 45000
7. "The Best Employee of The Year" award received from his employer	Rs. 5001
8. Rent received from vehicles let out	Rs. 15000

**OR**



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**B)** Parag retired from service on 30<sup>th</sup> September 2013 after completing 23 years of job. Before retirement he was receiving a monthly salary of Rs. 20000. He is entitled to a monthly pension of Rs.12000 from 1<sup>st</sup> October 2013. However he has opted for commutation of 60% of the same. He received Rs. 800000 as commuted pension. He also received Rs. 940000 as gratuity at the time of retirement. Compute his taxable pension and gratuity u/s/10 for the year 2013-14. (5)