

T.Y.B.Com (Financial Markets) Sem V
Choice Based

75

10.30 to 1.00.

25/11/2019 .Marks-75

Duration: 2.5 hours

- Note: 1) All questions are compulsory.
2) Working Notes should form part of your answer.
3) Figures to the right indicate full marks.

Q.1 A. Choose correct alternative and rewrite the statement. (Any 8) (08)

1. Madan has taken House on rent and sublets the same to Anil. Income from such house property shall be taxable under _____.
a) Income From House Property b) Income from other Sources
c) Business Income d) None of the Above
2. Interest credited to RPF is _____.
a) Fully Exempt b) Fully Taxable
c) Exempt up to 9.5% d) Exempt up to 8.5%
3. The qualifying amount of the preliminary expenditure can be claimed as deduction over a period of _____ years in equal installments.
a) 4 b) 5
c) 8 d) 10
4. The deduction u/s 80E is allowed for repayment of interest to the extent of _____.
a) Rs.50000 b) Rs.100000
c) Any amount paid as interest during the year d) None of the above
5. Dividend declared by Unit Trust of India is _____.
a) Fully exempt in the hands of unit holders b) Fully taxable in the hands of unit holders
c) Taxable but deduction is allowed under sec.80 d) None of the above.
6. After availing the exemption U/s 54EC, the assessee has to retain the long term specified asset for minimum period of _____ from the date of Acquisition.
a) 1 year b) 5 years
c) 3 years d) 2 years.
7. Kumar is neither a government employee nor covered under the payment of gratuity Act 1972. He has completed 21 years and 8 months of service. The number of completed years considered for gratuity exemption shall be _____.
a) 22 years b) 21 years
c) 21 years and 8 months d) Average of (a) & (b)
8. The term person includes _____.
a) HUF b) AOP
c) BOI d) all of the above
9. Mahesh a foreign national visited India during previous year 2018-19 for 150 days. Earlier to this he never visited India. Mahesh in this case shall be _____.
a) R and OR b) NR
c) R but NOR d) none of the above
10. Entertainment Allowance is deductible to the extent of Rs.5000 for a _____.
a) Private Company Employee b) Government Employee
c) Both of the above d) none of the above

Q. 1B State whether True or False from the following and rewrite the statement.(Any 7) (07)

1. Mr. Anuj is physically handicapped person (85%) as certified by medical authorities; he can claim Rs.125000 as deduction U/s 80DD
2. Vinayak received gift from his father which is taxable in his hands.
3. Net Annual value of self-occupied property is NIL.
4. Past untaxed profit brought forward into India is always taxable.
5. Medical premium paid by the employer on behalf of employee is a tax free perquisite.
6. Uncommuted pension received by government employee is exempt.
7. Life insurance premium paid is allowed as deduction U/s 80C.
8. Previous year can be less than 12 months.
9. The amount interest on borrowed capital is allowable as deduction under SOP is Rs.150000.
10. Reasonable letting down value is higher of fair rent or municipal valuation.

Q.2 A. From the following income of Mr. Rohit for the previous year 2018-2019, compute his gross total income for the assessment year 2019-20 if he is – (15)

- (a) Resident and ordinarily resident.
- (b) Resident but not ordinarily resident
- (c) Non-resident

Income	Rs.
1. Dividend received from MacDonald's Ltd. a USA Company in USA	18,000
2. Rent received from house in Kolkata	60,000
3. Income from agriculture in Sri Lanka	50,000
4. Income from business in Dhaka, controlled from Mumbai	60,000
5. Rent from office property in UK credited to bank account in Switzerland	20,000
6. Income from the profession in Nairobi received in Nairobi which was set up in India	30,000
7. Past untaxed foreign income brought to India, during the previous year	10,000
8. Royalties from Indian Companies	40,000
9. Profits from Business in Dubai managed from India	10,000
10. Income Accrued in Afganistan and received in Pakistan	31,000

OR

Q.2 B. Mr. Karnik sold on, 10-06-2018 his residential house in Nashik for Rs. 75,00,000. It was purchased on 07-07-2003 for Rs.7,00,000. Expenses on transfer amounted Rs. 1,20,000. Mr. Karnik incurred expenses on improvement on old house in financial year 2005-06 of Rs. 1,40,000. He invested Rs. 25,00,000 for purchase of new residential house on 31-10-2018.

You are required to compute Net Capital Gain for the assessment year 2019-20. (08)

Relevant Cost Inflation Indices are as under :

2003-04	109	2005-06	117	2018-19	280
---------	-----	---------	-----	---------	-----

Q2.C.Amol is Indian Film Actor gives you the following information of his stay outside India for film Shooting.

12April 2018 to 27April 2018	USA
5thMay 2018 to 11 th July 2018	Sri Lanka
26 th August 2018 to 9 th September 2018	UK
20 th September 2018 to 11 th October 2018	New Zealand
3 rd January 2019 to 25 th March 2019	South Africa

He went to Hollywood for two years from 10th March 2016 and returned to India 28th March 2018. Determine his residential status for the assessment year 2019-20. (07)

Q.3 A.Mr. Dilip Raje (Senior citizen) has let out his house property situated at Mumbai for residential purpose, the details of which for the year ended 31st March 2019.

Sr.No	Particulars	Rs
1	Fair rent	275000
2	Municipal value	260000
3	Actual Rent received	300000
4	Municipal taxed paid by tenant	10000
5	Collection charges	5000
6	Insurance	4500
7	Interest paid on borrowed fund (Loan taken in May 2010)	35000
	Other Information	
1	Interest accrued on FD	10000
2	Interest accrued on PPF	2000
3	Interest on saving Account	5000
4	Dividend from Raymond's (Indian Company)	4000

During the previous year he made the following investments and payments.

1. Investment in NSC Rs.70000.
2. Investment in PPF Rs.60000.
3. Paid Rs.25000 by cheque as medical premium for self.

Compute his taxable income of Mr. Dilip Raje for A.Y. 2019-20. (15)

OR

Q.3 B. Mr Dutta is Employed with cybertech Ltd.He furnishes you the following information for the assessment year 2019-20. Compute his Total Taxable Income for the assessment year 2019-20. (15)

- 1) Net Salary per month Rs. 9000 per month.
- 2) Income tax deducted at source Rs. 900 per month.
- 3) Professional tax deducted at source Rs. 100 per month.
- 4) He has been employed since 1st April, 1989 and received entertainment allowance of Rs. 750 per month, since that date.
- 5) Perquisite Value of Water, Gas and Electricity Rs. 10,000.

- 6) Received bonus during the year in respect of earlier year Rs. 6,000.
- 7) Received arrears of salary for 2017-18 Rs. 6,000.
- 8) The employer paid L.I.C. Premium of Mr. Dutta amounting to Rs. 5,000 for a policy of Rs. 5,00,000 issued on 1-4-2008.
- 9) Took advance salary of Rs. 10,000 on account of marriage of his son and loan Rs. 6,000.
- 10) Mr. Dutta, who is also a director in the company received Rs. 2,000 as director's sitting fees during the year.
- 11) Mediclaim Premium paid by the company Rs. 2,500.
- 12) He incurred the expenses incidental to employment, such as purchase of books, car expenses etc. amounting to Rs. 12,000.
- 13) He received Rs. 16,000 as salary from M/s. Reema Perfumes (a partnership firm), where he is a partner.
- 14) He also received an amount of Rs. 8,000 from betting in a club.
- 15) Repayment of loan from SBI for pursuing higher education of his son amounting to Rs. 50,000. Interest paid on such loan Rs. 9,000.

Q. 4 A. Mr. Milind, Proprietor of M & Co. furnishes you the following information for the year ended 31-03-2019.

Profit and Loss Account

Debit	Rs.	Credit	Rs.
To Salaries	2,20,000	By Gross Profit	6,29,000
To Rent	60,000	By Interest Accrued on N.S.C.	6,000
To Printing Expenses	15,000	By Gift from father	51,000
To Advertisement Expenses	5,000	By Income from Mutual Fund	12,000
To Motor Car Expenses	80,000	By Winnings from Lottery	1,00,000
To Embezzlement by Employee	11,000		
To Staff Welfare Expenses	30,000		
To Purchase of N.S.C.	50,000		
To Depreciation	25,000		
To Net Profit	2,90,000		
Total	7,98,000	Total	7,98,000

Additional Information:

- (a) Depreciation as per Income Tax Rules Rs. 28,000.
- (b) Staff welfare expenses include Rs. 10,000 for medical treatment of an employee.
- (c) Rent is paid for his residential house.
- (d) Advertisement expenses are incurred for an advertisement in the souvenir of a political party.

You are required to compute his total Taxable Income for the Assessment Year 2019-20. (15)

OR

Q.4 B.Mr. Ravi Kiran furnishes you the following information for the previous year ending on 31st March, 2019.

Profit and Loss Account

Debit	Rs.	Credit	Rs.
To Salaries	72,000	By Gross Profit b/d	1,60,000
To Rent	10,000	By Dividend from Indian Companies	5,000
To Depreciation	6,000	By Dividend from Foreign Companies	3,000
To Motor Car Expenses	4,800	By NSC Interest	3,000
To Printing and Stationery	2,200	By Interest on Co. FD	5,000
To Labour Welfare Expenses	3,000	By Sales Tax Refund	2,000
To Advertisement Expenses	3,500	By Income Tax Refund	4,000
To Drawings	12,500		
To Medi-claim Premium	14,000		
To Net Profit	54,000		
	1,82,000		1,82,000

He provides you the following additional information:

- (1) Half of the rent is attributable towards his residential flat.
 - (2) Allowable depreciation as per Income Tax Rules is Rs. 7,500
 - (3) Half of the Motor Car Expenses are for personal purpose.
 - (4) Labour Welfare includes Rs. 1,000 expenses for his personal treatment.
 - (5) Mediclaim premium was for his father, a senior citizen not dependent on the assessee. It was paid through internet banking.
- You are required to compute the Taxable Income for the Assessment year 2019-20. (15)

Q.5 A Define income from other sources with example. (08)

Q.5 B. Explain conditions for residential status with exceptions (07)

OR

Q.5 Short Notes (Any 3) (15)

1. Deductions U/s 80U and 80D
2. Interest on Borrowed capital
3. Gratuity
4. Perquisites
5. Person.
