

1. Any gift received by an individual from his relative is fully \_\_\_\_\_.
2. Total deduction u/s 80C and u/s 80 CCC cannot exceed Rs. \_\_\_\_\_.
3. Unit of Unit Trust of India held for 14 months is treated as \_\_\_\_\_ capital asset.
4. Expenses exceeding \_\_\_\_\_ paid in cash are disallowed.
5. Net annual value of SOP is \_\_\_\_\_.
6. Profit in lieu of salary is taxable under the head \_\_\_\_\_.
7. COI refers to \_\_\_\_\_.
8. A person by whom any tax is payable under the act is known as an \_\_\_\_\_.
9. Agricultural income from Bangladesh is taxable under the head \_\_\_\_\_.
10. Leave encashment received while in service is \_\_\_\_\_.

## Q.1(b) State whether the following statements are True or False (Any Seven)

1. Previous year always indicates a period of 12 months from 1<sup>st</sup> April to 31<sup>st</sup> March.
2. A resident in India cannot become resident in any other country for the same assessment year.
3. Pension received by a Govt. employee is exempt.
4. Municipal tax is a deduction from net annual value.
5. Interest on capital received by a partner from firm shall be exempt u/s 10(2A).
6. Land is treated as capital assets for capital gain purposes.
7. Subscription to notified bonds of NABARD would qualify for deduction u/s 80C.
8. The Legal status under the Income Tax Act of Mumbai University is Artificial juridical person.
9. Dividend from a foreign company shall be taxed in the hands of the shareholder.
10. Deduction under Sec 80 E based on interest paid on loan for higher education.

Q.2(a) Mr. Ambani furnishes you the following information for the previous year ending on 31<sup>st</sup> March, 2019. 15Profit and Loss Account for the year ended 31<sup>st</sup> March, 2019.

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

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 Purposes.
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 his Total Net Taxable Income for the Assessment Year 2019-20.

Receipts	Rs.	Payments	Rs.
To Opening Cash/Bank Balance	10,000	By Office Rent	6,000
To Fees from Clients(Net)	3,60,000	By Printing & Stationery	5,000
To Receipts for Articles written for Financial Magazines.	40,000	By Gifts to Staff	11,000
To Dividends from Indian Co.	5,000	<b>By General Expenses</b>	<b>14,000</b>
To Interest on Bank S/B A/c	2,000	By Motor Car Expenses	16,000
To Interest on Post Office Saving A/c	3,000	By Telephone Expenses	12,000
To Interest on Fixed Deposit with Banks	8,000	By Income Tax	40,000
To Interest on Government Securities	6,000	By Drawings	1,20,000
To Sale of Motor Car.	1,00,000	By Motor Car Insurance	12,000
		By Conveyance Expenses	13,000
		By Accountants Fees	19,000
		By L.I.C Premium Paid	64,000
		By Salaries to Staff	12,000
		By Closing Cash & Bank Balance	1,90,000
	<b>5,34,000</b>		<b>5,34,000</b>

**Additional Information:**

- Opening W.D.V of the block of Motor Car.(consisting of two motor cars) was Rs.2.50.000. Depreciation is allowable @ 20% on the same.
- Personal use of the motor car is estimated at 25%
- Fees from clients is after T.D.S of Rs.2,000/-
- General Expenses includes a sum of Rs.4,000/- given to his daughter as birthday gift.
- He is handicapped to the extent of 50%.
- LIP paid on a policy issued on 1-04-2015 for capital sum assured amounting to Rs.7,50,000/-

**You are required to compute his Total Net taxable income for the Assessment Year 2019-20.**

**Q.3(a)** Mr. MehulDeshmukh works with the Central Railway. He gives you following information for the year ended 31<sup>st</sup> March,2019. 15

Particular	Rs.
Basic Salary	50,000 p.m
Dearness Allowance	15,000 p.m
Received Arrears of Salary	40,000
Conveyance allowance received (Amt spent Rs.18,000)	25,000
Re-imbursment of medical expenses in Govt. Hospital	48,000
Profession tax deducted from salary	2,500 p.a
<b>Other information :</b>	
Dividend received from Bank of India	10,000
Interest received from Govt. Securities	25,000
Royalty received	60,000

He paid by chequemedicclaim premium of Rs.18,000 on health of himself, spouse and children. He had taken loan from SBI for higher education of his son who is pursuing MBA with Mumbai University. During the year 2018-19 he paid Rs.60,000 as interest on this loan.

**Compute his Total Net taxable income for the Assessment year 2019-20.**

**OR**

**Q.3 b(1)** Mr. RupeshSawant purchased a house property for Rs.15,00,000 on 5<sup>th</sup> October,1992. He constructed a 1<sup>st</sup>Floor during the financial year 2006-07 for Rs.5,50,000. He made further improvement in the financial year 2012-13 for Rs.8,00,000/-. He constructed 2<sup>nd</sup> Floor during the financial year 2013-14 for Rs.12,00,000/-. He sold the property on 1-02-2019 for Rs.1,50,00,000/-. He paid brokerage of Rs.50,000/- for the sale transaction. Fair market value of property as on 1-04-

Financial Year	Cost Inflation Index
2001-02	100
2006-07	122
2012-13	200
2013-14	220
2018-19	280

**Q.3 b(2) Ascertain the legal status of the following persons:**

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- Palghar Gram Panchayat.
- Megha Associates Pvt. Ltd.
- Mumbai Municipal Corporation.
- Om Co.op. Housing Society.
- Master Satish, a Lunatic.
- M/s Chaudhari & Associates. (unregistered partnership)
- Nagpur University.

**Q.4 (a)** Mr. Rohit Shetty is partially blind (73% disability). He gives you the following information for previous year 2018-19 15

Particulars	House 1 (Self Occupied) Rs.	House 2 (Let Out) Rs.
1. Fair Rent (Per month)	35,000	35,000
2. Rent Received (Per month)	Nil	40,000
3. Municipal Taxes		
a) Actually paid	10,000	10,000
b) Outstanding as on 31-03-2019	5,000	5,000
4. Maintenance Charges	9,000	9,000
5. Interest of Housing Loan (Loan taken after 1-04-1999)		
a) Paid during the year	40,000	46,000
b) Outstanding as on 31-03-2019	8,000	Nil

**Other Information:**

- Interest received from Saving Bank A/c Rs.15,000/-
- Winning from Lotteries (TDS Rs.20,000) Net Rs.30,000/-
- Interest accrued on Kisan Vikas Patra Rs.5,000/-
- Dividend received from Bank of Baroda Rs.8,000/-

**Compute the Net Taxable Income of Mr. Rohit Shetty for the Assessment year 2019-20.**

**Q.4 b(1)** Mr. Suresh furnishes you the following particulars of income earned by him during the previous year ended on 31<sup>st</sup> March, 2019. 08

Sr.no	Income	Rs.
1.	Profits from business in Dubai managed from India	10,000
2.	Royalty from Indian Company received in U.K	20,000
3.	Rent from house in U.K received in Spain	30,000
4.	Dividend from British Company received in Mumbai	40,000
5.	Interest credited to Bank of India, Delhi Branch	50,000
6.	Income earned in Brazil in the past but brought to India during the year.	60,000
7.	Income accrued in New York and received in London	70,000
8.	Income from agriculture in Srilanka received in India	80,000

**Compute his Gross Total Income for the Assessment Year 2019-20 assuming that he is:**

- Resident & Ordinary resident
- Resident but not Ordinary resident

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**Q.4 b(2)** Mr.Bharat, who is born and brought up in India and an Indian Citizen, went for further studies to U.S.A. on 1<sup>st</sup> March,2015 and came back to India on 1<sup>st</sup> Oct,2018 and since then he is in India. **Determine his residential status for the assessment year 2019-20 giving explanation for your answer.** 07

**Q.5 a(1)** Define the term "Person" and Explain the different categories of persons under the Income – Tax Act with suitable examples? 08

**Q.5 a(2)** Explain the various types of Allowances under Salaries? 07

**OR**

**Q5 (b) Write Short notes on (Any Three)** 15

1. Deduction u/s 16
2. Pension
3. Capital Asset
4. Income
5. Deduction u/s 80DD

\*\*\*\*\*BEST OF LUCK\*\*\*\*\*