



TIME : 2.30 hours

XYGACL

SYBBI

Disceeb Taxation

Max. MARKS : 75

Note:- 1) All questions are compulsory

2) Figures to the right indicate full marks

Q-1) A) Rewrite the sentences by selecting proper options. (Answer any 8) (8 M)

- 1) Residential Status is determined based on nos. of days stay in
  - a) Previous Year
  - b) Assessment Year
  - c) Both a & b
  - d) None of the above
- 2) Medical reimbursement by employer is not taxable up to
  - a) 5,000
  - b) 10,000
  - c) 15,000
  - d) None of the above
- 3) Municipal tax is allowed as deduction on
  - a) Accrual basis
  - b) Payment basis
  - c) Both a & b
  - d) None of the above
- 4) CII refers to
  - a) Cost Inflation Index
  - b) Cost of Improvement Index
  - c) Cost of Income Index
  - d) None of the above
- 5) Dividend received from foreign company
  - a) fully exempt
  - b) fully taxable
  - c) Partly taxable
  - d) None of the above
- 6) The payment for insurance premium under section 80D should be
  - a) In cash
  - b) By any mode other than cash
  - c) Both a & b
  - d) None of the above
- 7) Deduction for handicapped dependent is allowed under
  - a) U/s 80 D
  - b) U/s 80 DD
  - c) U/s 80 U
  - d) All of the above
- 8) Entertainment allowances is allowed for deduction for
  - a) Government Employee
  - b) Non-Government Employee
  - c) Both a & b
  - d) None of the above
- 9) Commission on sales received in addition to salary by a salesman is income from
  - a) Business
  - b) Salary
  - c) Other Sources
  - d) House property
- 10) Maximum Standard deduction u/s 16 is Rs.
  - a) 50,000
  - b) 40,000
  - c) 1,50,000
  - d) 1,25,000

B) Match the following. (Answer any 7)

(7 M)

Column A	Column B
1) Solapur Gram Panchayat	a) Capital Asset
2) Assessment Year	b) GAV less municipal tax paid
3) Karnataka University	c) Local Authority
4) Net Annual value	d) Exempt from tax
5) Previous Year	e) 2018-19
6) Interest credited to PPF	f) Artificial Judicial Person
7) Jewellery	g) 2019-20
8) Gratuity notified limit for exemption	Rs. 3,00,000
9) Leave salary notified limit for exemption	30 % of NAV
10) Standard deduction for Let out house property	Rs. 20,00,000

**Q-2) A)** Mr. Rajesh, working in a XYZ Company Ltd. The details of his salary for the Previous Year 2019-20 are as follows:

1. Basic Salary	Rs. 50,000 per month
2. Dearness Allowance (forming part of salary)	Rs. 7,500 per month
3. City Compensatory Allowance	Rs. 5,800 per month
4. Travelling Allowance (Amount Spent for official purpose Rs. 2,400 p.m.)	Rs. 3,000 per month
5. Advance salary	Rs. 1,00,000
6. Electricity bill paid by employer	Rs. 7,000
7. Profession tax Rs. 2500/-	

Determine his taxable salary for Assessment Year 2019-20. (8 M)

**B)** Mr. Raj purchased house property for Rs. 3,00,000/- on &10<sup>th</sup> May, 2000. He constructed a first floor during the financial year 2008-09 for Rs. 4,00,000/-. He sold the property on 15<sup>th</sup> July, 2018 for Rs. 78,00,000. He paid brokerage of Rs. 50,000/- for the sale transaction. Fair market value of property as on 1-4-2001 was Rs. 2,00,000/-. Compute his Capital Gain for the Assessment Year 2019-20.

Relevant cost inflation indices are as follows:

Financial Year	Cost Inflation Indices
2001-02	100
2008-09	137
2018-19	280

(7 M)

**OR**

**Q-2) A)** Mr. Vimal gives following information for previous year 2016-17

Particulars	House-I (Self Occupied)	House-II (Let Out)
Fair Rent (per month)	35,000	20,000
Municipal value (per month)	23,000	22,000
Actual Rent Received (per month) House II was vacant for 2 months	Nil	30,000
Municipal Tax paid by owner	5,000	5,000
Ground Rent	5,000	5,000
Interest on borrowed capital (loan taken on 1-4-2010)	50,000	25,000

Compute his taxable Income for the Assessment Year 2019-20 (8M)

**B)** From the following information provided by Mr. Virendra, compute his taxable income for the Assessment Year 2019-20. (7 M)

- 1) Directors sitting fees 3,000
- 2) Income from agricultural land from Rajasthan Rs. 12,000
- 3) Income from agricultural land from Nepal Rs. 4,000
- 4) Ground rent received for use of vacant land Rs. 2,000
- 5) Gift received from father's friend Rs. 15,000
- 6) Family pension received Rs. 60,000

XYGACL

**Q-3)** Mr. Salmaan, a citizen of U.S.A. has been staying in India since 1995. He leaves India 18<sup>th</sup> July 2018 on a visit to U.S.A. and returns on 2<sup>nd</sup> January 2019. Determine his Residential Status for the Assessment Year 2019-20. (15 M)

**OR**

**Q-3)** Mr. Suraj had the following income during the previous year ended 31<sup>st</sup> March,2019 (15M)

- |                                                                         |              |
|-------------------------------------------------------------------------|--------------|
| 1. Salary earned & received in U.K.                                     | Rs. 30,000/- |
| 2. Payment for the services rendered in Kolkata.                        | Rs. 40,000/- |
| 3. Interest on bank account in Japan                                    | Rs.1 5,000/- |
| 4. Dividend from shares from foreign companies                          | Rs. 5,000/-  |
| 5. Income from business in U.S.A, being controlled from India           | Rs. 35,000/- |
| 6. Interest received in Paris in respect of securities in UK Companies. | Rs. 10,000/- |
| 7. Income from house property in Srilanka                               | Rs. 40,000/- |
| 8. Amount brought in to India out of past untaxed profit.               | Rs. 5,000/-  |

You are required to compute his total Income, if he is i) Resident & Ordinarily Resident  
ii) Resident But Non-ordinarily Resident and iii) Non-resident.

**Q-4)** Mr. Jatin, Proprietor of Z & Co. furnishes you the following information for the year ended 31-3-2019

Profit & Loss Account for the year ended 31-3-2019

Debit	Rs.	Credit	Rs.
To salaries	4,00,000	By Gross profit	8,30,000
To salary to Proprietor	1,00,000	By dividend from Indian company	24,000
To Conveyance	90,000	By dividend from foreign company	16,000
To staff welfare	10,000	By Interest on fixed deposits	30,000
To wealth tax	20,000		
To provision for bad-debts	10,000		
To depreciation	40,000		
To Legal fees	60,000		
To Life insurance Premium	50,000		
To net Profit	1,20,000		
<b>Total</b>	<b>9,00,000</b>	<b>Total</b>	<b>9,00,000</b>

**Additional Information:**

- a) Depreciation as per Income Tax Rule Rs.42,000
- b) 1/4<sup>th</sup> of the Staff welfare expenses are for personal purposes.
- c) Paid Medical Insurance premium for self Rs. 30,000.

Determine his taxable income for the Assessment Year 2019-20.

(15 M)

**OR**

XYGACL

Q-4) Mr. Armaan, Proprietor of A & Co. furnishes you the following information for the year ended 31-3-2016

**Profit & Loss Account for the year ended 31-3-2016**

Debit	Rs.	Credit	Rs.
To salaries	2,00,000	By Gross profit	4,95,000
To Electricity	50,000	By Gift from father	1,50,000
To Conveyance	20,000	By Gift from friend	70,000
To Rent	10,000	By Interest on fixed deposits	30,000
To wealth tax	15,000		
To Drawings	12,000		
To depreciation	38,000		
To Sales tax	50,000		
To Life insurance Premium	30,000		
To net Profit	3,20,000		
<b>Total</b>	<b>7,45,000</b>	<b>Total</b>	<b>7,45,000</b>

**Additional Information:**

- Depreciation as per Income Tax Rule Rs.43,000
- Half of the rent was paid for Residence
- Mr. Armaan is handicapped up to 75%

Determine his total taxable income for the Assessment Year 2019-20. (15 M)

Q-5) A) Write a note on deduction u/s 80D (7M)

B) Write any 8 disallowed expenses list under the head income from Business (8M)

**OR**

Q-5) Write a short note on: (Any Three) (15M)

- Deduction from Income from Salary.
- Define Assessee, Assessment & Assessment Year.
- Condition to become Resident & Ordinarily Resident in India.
- Deduction U/S 24 under Self Occupied Property.
- Deduction u/s 80U & u/s 80E.

**ALL THE BEST**