



Seat No. : _____

XX-122

Five Years M.B.A. Integrated (K.S.)

T.Y. MBA

April-2013

Taxation

Time : 3 Hours]

[Max. Marks : 70

1. Attempt any **two** : 14

- (1) A and B are minor sons of F and Mrs. F. Business income of F is ₹ 4,30,000. Income from house property of Mrs. F is ₹ 2,10,000. Income of A and B from stage performance is ₹ 68,000 and ₹ 78,000 respectively. Besides, interest on company deposit of A and B (deposit was made out of income from acting) is ₹ 28,000 and ₹ 1,000 respectively. A and B have received the following birthday gifts – on September 12, 2011 gift received by A ₹ 51,000 from F's friend and ₹ 31,000 from a relative, on June 21, 2011 gift received by B from his grand father ₹ 81,000. Find out the income of F, Mrs. F, A and B for the assessment year 2012-13.
- (2) Write a detailed note on incomes which is partially agriculture and partially non-agriculture.
- (3) P, a resident individual submits the following information for the assessment year 2012-13.

₹

Business A

- Loss of previous year 2011-12 (20,000)
- Brought Forward loss of previous year 2005-06 (45,000)

Business B

- Profit of previous year 2011-12 35,000

Business C (Previous year ends on March 31, business discontinued on April 10, 2011) Profits of the period April 1, 2011 to April 10, 2011. 2,000

- Brought forward loss of previous year 2006-07 (16,000)

Business D (Previous year ends on March 31, business discontinued on March 15, 2012) 16,000

- Brought forward loss of previous year 2004-05 (4,000)

Other Income :

- Interest on debentures held as stock in-trade 48,000
- Interest on bonds held as investment 60,000
- Long term capital loss on sale of shares (61,000)
- Dividend declared on September 3, 2011 on Security held as stock in trade. 72,000

2. (a) Mrs. A, a salaried employee, furnishes the following information in respect of the previous year ending March 31, 2012. 6
- Salary income ₹ 62,000
- Interest on debentures ₹ 54,000
- Payment of medical insurance premium on the life of her grandfather ₹ 2,600.
- Donation to the Prime Minister's Drought Relief Fund ₹ 17,000.
- Donation to approved public charitable institution ₹ 18,000.
- Deposit in notified equity linked saving scheme of UTI ₹ 5,000.
- Determine the net income of Mrs. A for the assessment year 2011-12.

OR

- (a) Write a note (any **two**) : 6
- (1) Deduction U/S 80 E (Deduction for interest paid on loan taken for pursuing higher education)
- (2) Deduction in respect of Royalty income (Section 80 QQB)
- (3) Deduction in the case of person with disability (Section 80 U)
- (b) For the A.Y. 2012-13 Mr. Yogi (65 Years) a resident of India, submits the following particulars : 8

Salary from part time employment :

Salary ₹ 30,000 per month.

Conveyance allowance spent for performance of duty ₹ 600 p.m.

Entertainment allowance ₹ 5,000 p.a.

Electricity bill paid by employer ₹ 1,000 p.a.

Rent free furnished accommodation. Provided in Delhi
(accommodation owned by employer)

Value of furniture ₹ 2,00,000

	₹
Income from house property	2,00,000
Bank interest (Gross)	30,000
Interest from UTI	3,800
Share of profit received from partnership firm	70,000
Income from business (before depreciation)	90,000
Current year depreciation	10,000
Brought forward business loss of P.Y. 2009-10	15,000
Unabsorbed depreciation	50,000
Gift received from friend	1,00,000
Long term capital gain on sale of land	1,00,000
Winning from lottery (Gross)	50,000

Compute his taxable income for A.Y 2012-13 and net tax liability.

3. A, B and C are three partners (3 : 2 : 3) of Sayona and Company, a firm engaged in manufacturing leather goods. The profit and loss account of the firm for the year ending March 31, 2012 is as follows : 14

Dr.

Cr.

Particulars	Amount ₹	Particulars	Amount ₹
Cost of goods sold	1,12,500	Sales	14,28,000
Salary to Staff	6,75,000	Long term Capital gain	1,50,000
Income tax	18,000	Winning from lottery	1,50,000
Depreciation	1,35,000	Short term capital gain U/S 111A	37,500
Remuneration to Partners :		Dividend received from foreign company	30,000
A	1,53,000	Other business receipts	15,000
B	45,000	Other Short term capital gain	30,000
C	1,53,000		
Other expenses	1,35,000		
Interest on Capital to partner :			
A	22,500		
B	1,65,000		
C	52,500		
Net Profit :			
A	65,250		
B	43,500		
C	<u>65,250</u>		
	1,74,000		
	18,40,500		18,40,500

Other information :

- (1) The firm satisfies conditions of section 184 and 40(b).
- (2) The firm is not eligible for deduction under section 80 1A/80 IB.
- (3) Depreciation as per section 32 comes to ₹ 72,000.
- (4) Other expenses to the tune of ₹ 61,500 is not deductible under section 30 to 43 D.
- (5) Up to March 31, 2011, there is no provision in partnership deed to pay remuneration to partners. The deed is amended on April 1, 2011 to pay remuneration/interest to partners as under :

	Remuneration per month (₹)	Simple interest on capital
A (working partner)	12,750	20%
B (Sleeping partner)	3,750	24%
C (working partner)	12,750	20%

- (6) The firm has given donation of ₹ 50,000 to a Prime Minister's National Relief Fund which is not debited to profit and loss account.

(7) Personal income of partners are as follows :

	A ₹	B ₹	C ₹
Dividend received from Indian Company	1,00,000	1,00,000	1,00,000
PPF contribution	50,000	50,000	70,000

Compute the income and tax liability of the firm and partners for the A.Y. 2012-13.

OR

3. Answer the following :

(A) G Ltd. an Indian company, is engaged in business of manufacture of paints. For tax purposes the company wants to claim the following : 8

- Deduction U/S 80-IB (30 percent of ₹ 29,83,004)
- Custom Duty of ₹ 1,00,000 pertaining to 2009-10 paid during 2011-12.
- Depreciation U/S 32 – ₹ 12,00,000.

Assets whose book value was ₹ 20,00,000 was revalued to ₹ 40,00,000.

The company wants to set-off the following losses/allowances :

	For tax purpose ₹	For accounting purpose ₹
Brought forward loss of 2009-10	14,80,000	16,00,000
Unabsorbed depreciation	6,00,000	9,00,000

Profit and Loss Account

Particulars	Amount ₹	Particulars	Amount ₹
Raw material	20,00,000	Domestic sales of goods	50,00,000
Salary and Wages	2,40,000	Export of goods	12,00,000
Entertainment expenditure	40,000	Other receipts	4,00,000
Travelling expenditure	60,000	Dividend from an Indian company	2,00,000
Income tax	4,00,000	Profit on shares sold through recognized stock exchange after holding for two years	4,44,000
Wealth tax	10,000		
Outstanding Excise Duty	30,000		
Provision for Unascertained liabilities	80,000		
Dividend paid	1,00,000		
Dividend distribution tax	16,996		
Depreciation on the assets after revaluation	12,80,000		
Security transaction tax on sale of shares	4,000		
Net Profit	29,83,004		
	72,44,000		72,44,000

Based on the information provided for the P.Y 2011-12, compute tax liability for A.Y 2012-13.

(B) Define company and a company in which the public are substantially interested. 6

4. Attempt any **two** : **14**
- (1) PAN
 - (2) Revised return and return of loss.
 - (3) Self assessment and summary assessment.

5. (a) Write a note : **6**
- (1) TDS provision for payment of compensation on acquisition of certain immovable property U/S 194 LA.
 - (2) Tax deduction and collection account number.

- (b) From the following particulars submitted by X, ascertain the advance tax payable during the financial year 2011-12. **8**

	Incomes	Tax deduction by payer
	(₹)	(₹)
Salary	2,00,000	1,030
Rent @ 32,000 per month	3,84,000	38,400
Long term capital gain on sale of shares on June 1, 2011	60,000	–
Winning from betting	15,000	–
Winning from lottery on May 24, 2011	1,00,000	30,000
Winning from race on December 22, 2011	60,000	18,000
Bank interest received on January 2, 2011	1,80,000	18,000
Dividend	40,000	–

X contributed ₹ 10,000 towards recognized provident fund.

If X has paid tax of ₹ 1,55,000 then he will be eligible for refund ? If yes, then in which form he needs to apply for refund to Assessing Officer.

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