

Seat No. : _____

AB-166

April-2019

F.Y. Integrated M.Sc. (CA & IT), Sem.-II

Taxation Laws

Time : 2 Hours]

[Max. Marks : 50

1. Write any **four** questions : **10**
- (a) Write short note on Step and Slab System of Taxation.
 - (b) State the exemption limit for A.Y. 2017-18 in case of General Tax Payers (male and female), senior citizens and super senior citizens.
 - (c) State the provisions of Income Tax Act for determining the Residential Status of Assessee as Resident, Ordinary Resident and Non-Resident.
 - (d) Write short note on GST.
 - (e) Write short note on Income Tax Officer.
2. Compute the salary income of Mr. Ambalal Patel is the General Manager of XYZ Co. Ltd. working at Mumbai for the previous year relevant to A.Y. 2018-19 from the following information : **10**
- (1) Basic Salary : ₹ 12,000 per month
 - (2) Dearness Allowance: 84000 p. a. (half of which is part of salary for retirement benefits)
 - (3) Bonus and Commission : ₹ 48 000 p.a.
 - (4) Entertainment allowance : ₹ 700 per month.
 - (5) Children education allowance : ₹ 350 p.m. (one child)
 - (6) House Rent Allowance ₹ 5,000 p.m. (Actual House Rent paid ₹ 4,500 p.m.)
 - (7) The company has provided a car without driver, all expenses of maintenance are borne By the employer. The car is for office use and private use and has 1.2 cubic litre capacity.
 - (8) The company is contributing @15% of basic pay towards his recognized Provident Fund.
 - (9) Interest credited to his R.P.F. @ 15% ₹ 9,000.
 - (10) The company has made following deductions from his pay:
 - (a) Professional Tax ₹ 2,500 (annual).
 - (b) Recovery of token rent for accommodation @ 10% of basic pay.

3. Mr. Aarush Shah owns four houses named “Gokul”, “Domain”, “Antaliya” and “Krishna”. Compute the taxable income under the head “Income from house property” for the A.Y. 2018-19 from the following :

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Particulars	Gokul	Domain	Antaliya	Krishna
(1) Use of house	Self Occupied	Self Occupied	Let out	Let out
(2) Annual Value as per municipal assessment	₹ 56,000	₹ 42,000	₹ 70,000	₹ 84,000
(3) Monthly Fair Rent	3,500	3,300	6,000	5,400
(4) Standard Rent (Annual)	45,000	36,000	72,000	66,000
(5) Actual Rent received monthly	–	–	6,000	7,000
(6) Vacancy period	–	–	1 month	½ month
(7) Municipal Tax paid by Mr. Aarush	7,000	4,000	11,000	14,000
(8) Municipal Tax paid by Tenant	–	–	10,000	15,000
(9) Year of completion of construction	2011-12	2012-13	2013-14	2009-10
(10) Housing Loan Interest	20,000	15,000	21,000	17,000
(11) Rent collection Cost	3,500	2,000	1,800	1,700
(12) Fire Insurance Premium	2,100	3,080	2,150	1,980
(13) Repairs	5,435	3,290	1,900	3,760

4. Following is the Profit and Loss Account of M/s Aadarsh Trading & Co for the year ended on 31st March, 2018.

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Dr.		Cr.	
Particulars	₹	Particulars	₹
To Salary	9,70,000	By Gross Profit	31,75,000
To Bad Debt Reserve	65,000	By Discount	1,16,000
To Bad Debt	45,000	By Bad Debt Recover (50% not allowed in the past)	50,000
To General Expenses	3,35,000	By Interest and Dividend	3,06,000
To Insurance Premium	1,25,500	By Interest on PO Office Deposit A/c	1,18,000
To Interest on Capital	83,000		
To Advance Income Tax	49,000		
To Advertisement	12,000		
To Charity	17,000		
To Motor Car Expenses	1,78,000		
To Travelling Expenses	38,500		
To Depreciation	78,000		
To Net Profit	17,69,000		
	37,65,000		37,65,000

Additional Information :

- (1) Salary includes ₹ 1,76,000 paid to the owner of the business.
- (2) General Expenses includes ₹ 56,000 payment being made for personal purchase of the owner.
- (3) Advertisement includes ₹ 7,000 spent on purchase of new permanent sign board.
- (4) Motorcar expenses includes ₹ 78,000 towards personal purpose.
- (5) Insurance premium includes ₹ 54,500 of Life Insurance Premium.
- (6) Allowable depreciation as per Income Tax Act is ₹ 85,000.
- (7) An unrecorded income of ₹ 95,000 is found out from the pass-book.

Calculate taxable income from business and profession for A.Y. 2018-19.

5. (A) From the following information, you are required to compute taxable income of Ms. Ekta Verma under the head Income from Other Sources for the Previous Year 2017-18 :

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	₹
(1) Dividend received on equity shares of Indian Company	76,000
(2) Interest on Bank Fixed Deposit (Gross)	39,300
(3) Composite rent of factory machinery and other equipment	1,43,000
(4) Ground rent income	1,27,700
(5) Directors fees for attending meetings	27,600
(6) Interest received on ₹ 90,000 10% Tax-free debentures of X Ltd. (TDS rate 10%)	9,000
(7) Depreciation on factory machinery and other equipment	21,000
(8) Interest on loan taken to make investment in debenture of X Ltd.	2,100

- (B) Details regarding transactions done by Mr. Neil Vora for the year ended on 31-03-2018 are as under. Find out taxable capital gain.

No	Name of Assets	Date of Purchase	Date of Sales	Purchase Price ₹	Selling price ₹	Transfer Charges	Index No.
1.	Dimond Jewellery	1-1-97	30-06-17	34,000	7,50,000	2,300	
2.	Residential Bungalow	1-1-05	31-10-17	5,65,000	25,75,000	37,500	113
3.	X Ltd. Shares	1-7-07	20-11-17	77,400	2,49,800	1,700	129
4.	Personal Car	1-1-13	07-01-18	76,000	37,500	—	200
5.	New Flat	1-3-18	—	5,27,000	—	—	

Fair Market Value as on 1st April, 2001 is 1,00,000. Index Number for the Financial year 2001-02 is 100 and 2017-18 is 272.