



Date: 27-10-2018
Time: 09:00-12:00

Dept. No.

Max. : 100 Marks

Part – A

Answer ALL the questions:

(10x2=20)

1. Define Assessment Year.
2. What is Gross Total Income?
3. What is meant by Perquisite?
4. What is Gross Annual Value?
5. Define the term Profession.
6. Nadeem resides in Chennai and gets Rs.10,000 per month as basic salary, Rs.8,000 per month as DA(entering service benefits), Rs.12,000 per month as HRA. He pays Rs.10,000 per month as rent. Calculate the taxable House Rental Allowance.
7. What is Indexed Cost of acquisition?
8. List out any four items which are included in Capital Assets.
9. What are the various kinds of securities?
10. What is the tax slab for the assessment year 2018-19 of residential individual of 60 years of age?

Part – B

Answer any FOUR Questions:

(4x10=40)

11. Explain the rules relating to determination of residential status of individuals.
12. What is Provident Fund? Explain its types and the provisions relating to it.
13. Mr. Amar gives the following information about the residential house property situated at Delhi:

Particulars	Rs.
Date of Transfer	10 th July, 2017
Date of Purchase	6 th October, 2004
Sale Consideration	13,00,000
(Stamp Duty Value)	15,00,000
Cost of Acquisition	1,87,000
Expenses on Transfer	10,000

To get the exemption under section 54, Mr. Amar purchased a residential house property at Noida for Rs.12,00,000 on 20th December, 2017.

C.I.I for 2003 – 04 is 109, 2004 – 05 is 113 & 2017 – 18 is 272.

Find out the Capital Gains chargeable to tax in the hand of Mr. Amar for the assessment year 2018-19.

14. Following are the incomes of Kiran for the Previous Year 2017-18:

- i) Profit from business in Dharwad - Rs.7,000
- ii) Income accrued in India but received in Italy - Rs.6,000
- iii) Profit from business in England received in India - Rs.5,000
- iv) Income from house property in Africa received in India - Rs.4,000
- v) Profit from business established in Iran and deposited in a bank there, the business being controlled from India- Rs.3,000
- vi) Income from house property in Pakistan and deposited in a bank there - Rs.2,000
- vii) Past untaxed foreign income brought into India during this previous year - Rs.1,000.

Compute the total income of Kiran for the assessment year assessment year 2018-19 if he is a) Ordinary resident b) Not ordinarily resident and c) Non- resident.

15. a) Mr. B was an employee of Ray and Nath after completing 42 years of service retired on 28-2-2018. He was drawing a monthly salary (which was due on 1st of every month) of Rs.5,000 in 2015, Rs.5,500 in 2016 and Rs.6,000 from 1.1.2017 onwards. On retirement he received a gratuity of Rs.1,26,000. Determine the taxable amount of gratuity.

b) Mr. R retires from private service on 30th April, 2017 and his pension has been fixed at Rs.1,500 p.m. He gets 1/2 of his pension commuted and gets Rs.80,000. He also received Rs.75,000 as gratuity. He gets his pension commuted during January, 2018.

16. Dr. Satish is a Medical Practitioner. He gives the following summary of cash book for the year ending 31.3.2018:

Particulars	Rs.	Particulars	Rs.
To Balance	10,000	By Rent Of Clinic	18,000
To Consultation Fee	60,000	By Purchase Of Medicine	38,000
To Visiting Fee	45,000	By Staff Salaries	24,000
To Gifts and Presents	8,000	By Surgical Equipment	40,000
To Sale of Medicine	42,000	By Motor Car Expenses	8,000
To Dividend From UTI	6,000	By Purchase Of Motor Car	1,40,000
To Life Insurance Maturity	1,00,000	By Household Expenses	7,000
To Dividend from National Defence Scheme	6,000	By Closing Balance	2,000
	2,77,000		2,77,000

Other information:

- i) 50% of the motor car expenses were incurred in connection with profession. Car was purchased in December 2017.
- ii) Household expenses include Rs.6,800 for life insurance premium.
- iii) Gifts and presents include Rs.3,000 from relatives.
- iv) Closing stock of medicine is Rs.12,000 and on 1.4.2017 the opening stock was Rs.4,000.

Compute his professional gain on the assessment year 2018-2019.

17. From the following particulars of Mr. Edward for the previous year ended, 31st March, 2018, compute his total income for the assessment year 2018 -19

He received:

- i) Director's fee from a company – Rs.10,000
- ii) Interest on bank deposits – Rs.3,000
- iii) Income from undisclosed sources- Rs.12,000
- iv) Winnings from lotteries – Rs.24,500
- v) Royalty on a book written by him- Rs. 8,000

- vi) By giving lecture in functions- Rs.5,000
- vii) Interest on loan given to a relative- Rs. 7,000
- viii) Interest on tax free debentures of a company- Rs. 3,600 (unlisted in recognized stock exchange)
- ix) Dividend on shares – Rs. 6,400
- x) Interest on post office savings bank A/c- Rs.500
- xi) Interest on Govt. securities – Rs.2,200

He paid Rs.100 for collection of dividend and Rs.1,000 for typing the manuscripts of book written by him.

Part – C

Answer any TWO Questions:

(2 x 20 = 40)

18. Sri. Sukhwasi is secretary to Hamesha Ltd. at Pune (Population 20 lakhs) and for the period between 1.4.2017 to 31.3.2018 has received the following salary and other payments from his company:

- i. Salary - Rs.18,000 p.m.
- ii. D. A. - 2,500 p.m. (not forming part)
- iii. City compensatory allowance – Rs 800. p.m.
- iv. Entertainment allowance – Rs.12,000p.a.
- v. Commission on sales achieved by him - Rs.24,000p.a.
- vi. Rentfree accommodation of a building (furnished) for which company pays a municipal tax of Rs.60,000p.a and furniture value is Rs.1,20,000
- vii. Medical bills reimbursed (treatment taken from private hospital)- Rs.12,000
- viii. He is provided with a car of 1.8 lt. capacity which is partly used for private and partly for employment purposes. During the year the company incurred Rs.44,000 on maintenance of car. Normal depreciation of the car is Rs.30,000. The driver's salary is Rs.12,000 p.a., it was agreed by the assessing officer that 40% of the car time is used for personal purposes.
- ix. As per terms of agreement his professional tax of Rs.2,000 was paid by the employer.
- x. During the year he travelled in connection with his job and was paid Rs.16,000 as travelling allowance and Rs.12,000 as daily allowance.
- xi. During the year he paid Rs.6,450 as life insurance premium to insure the life of his major son.
- xii. He and his employer contributed Rs.35,000 p.a. (each) toward Recognised Provident Fund.

Compute his income under the head salaries and qualifying amount of deduction U/s. 80C.

19. Mr. Ansari is owner of two houses and he provides following information:

	House A	House B
Date of completion	1 / 6 / 2017	1 / 8 / 2016
Standard Rent	Rs.15,000p.a.	--
Fair Rental Value	Rs.18,000p.a.	Rs.24,000p.a.
Municipal Rental Value	Rs.12,000p.a.	Rs.20,000p.a.
Actual Rental value	Rs.1,000 p.m.	Self-occupied
Municipal taxes	Rs.1,200 p.a.	10% of MRV
Ground rent	Rs.400	--
Fire insurance premium	Rs.500 p.a	Rs.400p.a.

Interest on loan taken for the construction of house:

Year	Rs.	Rs.
2014-15	4,000	11,000
2015-16	4,000	11,000
2016-17	3,000	11,000
2017-18	3,000	7,000

Calculate income from the house property for the year ended 31-03-2018.

20. From the following P&L Account of a manufacturer, calculate the income under the head 'Profits and Gains of Business or Profession' for the year ending on 31st March, 2018.

Particulars	Rs.	Particulars	Rs.
Salaries to employees	1,95,000	Gross profit	5,80,000
Advertisement expenses (in cash)	24,000	Interest on securities	14,000
General expenses	16,000	Income from house property	25,000
Entertainment expenses	22,000	Bad debts recovered(allowed earlier)	12,000
Bad debts	1,500		
Drawings by proprietor	24,000		
Sales tax (due and paid on 1.7.2017)	6,000		
Interest on proprietor's capital	7,000		
Repairs	2,500		
Rent	21,000		
Legal Expenses	5,000		
Depreciation	15,000		
Bonus (due)	6,000		
Bonus to the proprietor	4,000		
Car purchased	72,000		
Expenses on car during the year	12,000		
Donations	2,000		
Provisions for bad debts	6,000		
Net profit	1,90,000		
	6,31,000		6,31,000

From the examination of books of accounts, the following other information's are available:

- Advertisement expenses were spent on insertions in newspapers.
- Rs.3, 000 was spent on purchase of land and is included in legal expenses.
- Half of the repair expenses were on let-out building.
- Depreciation allowable on all assets including car is Rs.14,400/-.
- Bonus was paid to employees on 30.6.2018 and date of filing of return is 31.7.2018.

21. Mr.G submits the following information about sale of various assets during the previous year 2017-18 (CII:272)

Particulars	Residential House	Jewellery	Listed Debentures
Date of acquisition	11.3.2002	1.7.2004	12.4.2005
CII	100	113	117
Cost of acquisition in Rs.	4,10,000	90,000	2,00,000
Date of sale	15.5.2017	17.5.2017	16.5.2017
Sale Price in Rs.	20,00,000	4,00,000	4,00,000

Investments:

- Residential House acquired on 19.11.2017 for Rs.16,00,000
- Rural Electrification Corporation bonds acquired on 15.11.2017 for Rs.1,20,000

Find out the Capital Gains chargeable to tax for the assessment year 2018-19.

