

SYBAF sem III Reg & A.T.K.T. Exam Oct-2019.

SYBAF

SUB: DIRECT TAX

SEM III

2019

11/10/19.

DURATION: 2 ½ HOUR

MARKS: 75



- NOTES: 1) All Questions are Compulsory.
 2) Figures to right indicate full marks.
 3) Working note will be part of answer.
 4) Use of simple calculator is allowed.

Q1) A) Fill in the blanks [attempt any 8]

(8)

- 1) Share of income received by a member of HUF is----- (Exempt/Taxable)
- 2) Deduction u/s 80C is allowed to the maximum of----- (1,00,000/1,50,000)
- 3) Units of UTI held for 14 months is treated as----- capital asset. (Long Term/Short Term)
- 4) Standard deduction under section 24(a) from Income from house property is (1/3 of NAV /30% of NAV)
- 5) Dividend received from credit Co Operative Society is (fully taxable/ fully exempted)
- 6) A Club is treated under Income tax laws as (AOP/Company)
- 7) Gift received by an individual Rs 70,000 from his relative shall be (fully exempt/ fully taxable)
- 8) Foreign Agriculture income is-----in India. (Taxable/Exempt)
- 9) Profession Tax Deduction is allowed on-----basis. (Payment/Accrual)
- 10) Unrealised Rent deduction from (GAV/NAV)

Q2) Match the column [attempt any 7]

[7]

	COLUMN A		COLUMN B
1	Maximum Contribution to Pension Fund	a	Not A Capital Asset
2	Maximum interest claims on loan for higher education u/s 80 E	b	Set Off against other income possible during subsequent year
3	Personal Car	c	Allowable Business Expense
4	Jewellery	d	Income from Other Sources
5	Unabsorbed Depreciation	e	Capital assets
6	Bonus to Employee	f	Amount Paid
7	Subsidised Lunch	g	1,00,000
8	Salary of MP/MLA	h	Capital assets
9	GST	i	Deductible as expenditure when paid
10	Drawing And Painting	j	Tax Free Perquisite

Q2) A) Mr. Raj, a British citizen had the following income during the year ended on 31st March 2019

	Rs.
1 Income from house property in India	16,000
2 Income from property in Rome	12,000
3 Interest from Bank account in India	1,200
4 Income from business in Bangladesh, being controlled from India	17,000
5 Interest on bank account in U.S. A	13,000
6 Salary earned and received in Tokyo	14,000
7 Income earned and received in London	11,000
8 Dividend from British company received in India	15,000

compute his total income for the assessment year 2019-20, if he is: (8)

(i) A Resident (ii) A resident but not Ordinary resident (iii) A Non – Resident

B) Mr. Chaitanya, an employee of Bakul Co. Ltd. at Mumbai and covered by Payment of Gratuity Act, retires at the age of 64 years on 31-12-2018 after completing 33 years and 7 months of services. At the time of retirement, his employer pays Rs. 18,51,650 as Gratuity. He is also entitled for monthly pension of Rs. 9000. He gets 80% of pension commuted for Rs. 6,00,000 on 1st February, 2019. Determine the salary chargeable to tax for Mr. Chaitanya for the assessment year 2019-2020 with the help of following information: (7)

Particulars	Rs.
Basic Salary (Rs. 90000 X 9)	8,10,000
Bonus	36,000
House Rent Allowance (Taxable)	1,17,000
Employer Contribution towards recognised provident fund (Exempt Rs. 88000)	1,10,000
Professional tax paid by Mr. Chaitanya	2000

Note: Salary and pension falls due on the last day of each Month

OR

Q2 A) Compute the amount of deduction u/s 80C from the following details of "Yash": (5)

	Rs.
1 Contribution to PF (Minimum rate)	34,000
2 Additional voluntary contribution to PF	18,000
3 Deposits in 10-year Post office savings bank cumulative time deposit scheme	7,000
4 Subscription to Kisan Vikas Patra (KVP)	10,000
5 Insurance Premium on own life (Due on 20-3-2019, paid on 1-4-2019)	20,000

Q2 B) The following is the profit and loss account of Mr. Ashish for the year ended 31-3-2019: (10)

Particulars	Amount	Particulars	Amount
To Repairs to building	2,00,000	By Gross Profit	9,75,000
To Salaries	80,500	By Income-tax refund	7,750
To Drawings	1,75,000	By Interest from Company Deposits	10,700
To Interest	1,60,000	By Dividend	5,500
To Travelling expenses	2,05,000		
To Net Profit	1,78,450		
	9,98,950		9,98,950

The following additional information is furnished:

- 1) Repairs to building includes 1,50,500/- towards cost of constructing an additional room for their own business premises.
- 2) Interest payments include interest of 18,000/- payable outside India to a resident Indian on which tax has not been deducted and penalty of 36,000/- for contravention of GST Act.

Compute the income chargeable under the head 'Profits and Gains of Business or Profession' of Mr. Ashish for the year ended 31-3-2019 ignoring depreciation.



Q.3) A) Ms. Cherry who is an Indian citizen went for employment to Dubai from 1st April 2013 and came on a visit to India on 01/07/2018 and left for Dubai on 15/12/2018 /.Determine her residential status for assessment year 2019-2020. (5)

B) Dharti has a residential property, details of which are given below: (10)

Particulars	Rs.
Municipal Valuation	110000
Fair rent per month	16000
Standard Rent per month	10000
Municipal Taxes paid @ 20% of Municipal Valuation	
Interest on loan for purchase of this house	25000
Rent receivable per month	10200

The house property was vacated by the tenant on the last day of October 2018. It could then be let out only from 1st January 2019 @ 15,000/- per month. Rent for March 2018 could not be realised (the condition under the relevant Income tax rules were satisfied). Compute her income from house property for the assessment year 2019-20.

OR

Q 3) A) Mr JEET owns a house property which he acquired in April 1989 for Rs 3,50, 000.The cost of improvement incurred for this property in August 2006 was RS 4,80,000.

He sold this property in October 2018 for Rs 99,00,000.

He acquired a new house property during January 2019 for RS 4,00,000

Compute the taxable capital gains for the assessment Year 2019-20 on the assumption that the fair market value of the property as on 1-4-2001 was RS 29,00,000

The cost of inflation index for financial year 2001-02 is 100 for financial year 2006-07 is 122 and financial year 2017-18 is 280. (8)

B) Ms Niyati is a professor of Accounts in Y.K. College. The particulars of her income for the year ending 31-3-2019 are as follow: - (7)

1. Salary – Rs. 38,000
2. Royalty from Books – Rs. 35,000. Expenses on typing etc. were Rs. 6000
3. Honorarium received from a management institute as a visiting lecturer – Rs. 2000. Conveyance for visiting the institute – Rs. 200
4. Examinership fees from the university of Mumbai – Rs. 2000
5. Family pension of Rs. 42,000 on death of her husband from his employer
6. She received the 'Dronacharya' Award of Rs. 15000 for the best teacher of the year from the state government

Compute gross taxable income of Ms Niyati for the assessment year 2019-2020

Q.4) Mr Saurabh is a physically disabled person (90% disability). He is employed with Mumbai printers. He gives you the following information for the year ended on 31st March 2019. (15)

Particulars	Amount
Basic Salary	700000 p.a.
Bonus	375000 p.a.
Entertainment allowance	50000 p.a.
HRA (Exempt house rent allowance 19000/-)	140000 p.a.
Conveyance allowance (Amount spent on official conveyance 21,600/-)	25000 p.a.

Perquisite value of subsidised meal at workplace	25000 p.a.
Profession Tax deducted	2500
Particulars of Owned House (Let Out)	
Municipal Valuation (per month)	80000
Rent received (per month)	65000
Municipal taxes paid during the year	
(a) For Previous year 2018-19	25000
(b) For Previous year 2017-18	13000
Interest paid on borrowed capital for construction of house	170000

Other information:

He completed his graduation in engineering in 2016.

For this he had taken an educational loan from Corporation Bank in 2011. During the year he paid 90,000/- as interest on this loan.

Compute his taxable income for the assessment year 2019-20.

OR

Q.4) Ms. Prisha who is totally blind, has let out her property situated in vashi for Residential purpose, The details of the said property for the year ended 31st March 2019 are as follows: (15)

1. Rent received Rs. 1,50,000/-
2. Municipal Valuation Rs. 1,30,000/-
3. Fair Rent Rs. 1,70,000/--
4. Municipal Taxes paid by Tenant Rs. 12,000/-
5. Interest on loan taken from ICICI Bank for construction of house property Rs. 45,000. Loan was taken in April 2009.

Following are the details of other income earned during the year.

Interest accrued on NSC Rs. 23,000/-

Interest accrued on Public Provident Fund Account Rs. 7,000/-

Dividend from M/s Raymond Ltd. Rs. 10,000/-

Interest accrued on private loans to friends and relatives Rs. 65,000/-

Compute net taxable Income of Ms. Prisha for Financial Year 2018 – 19, relevant to Assessment Year 2019 – 20.

Q 5. Short Notes (attempt any 3)

(15)

1. Agriculture Income
2. Resident but not ordinary Resident
3. 5 deductions under Section 80
4. Let out property
5. Entertainment Allowance

OR

- Q5) A) Describe the different categories of assessee according to their residential status. (8)
- B) What are the deductions allowed from the income from salary? Explain it. (7)