

Paper / Subject Code: 79708 / Direct Taxation



[Time: 2:30 Hours]

[Marks:75]

Please check whether you have got the right question paper.

- N.B:
1. All questions are compulsory.
 2. Figures to right indicate full marks.
 3. Use of simple calculator is allowed.

Q.1 A) State whether the following statements are true or false. (Any 8 out of 10)

08

1. RL V can be determined in the following way Higher of Municipal Value & Standard Rent.
2. The amount of interest on borrowed capital allowable as reduction in case of a Self-occupied property is Rs 1,50,000 or Actual amount whichever is lower
3. The aggregate amount of deductions under chapter-VI-A can not exceed Gross Total Income.
4. Cost inflation Index is applicable in case of short capital assets.
5. Total Income of a person is determined on the basis of his. Citizenship.
6. Entertainment Allowance in case of Non-government employee is fully exempt.
7. Gift received by Mr. Sachin from Wife Rs.1,00,000 is fully taxable
8. Total deduction u/s 80CCC cannot exceed Rs.50000.
9. A person by whom any tax is payable under the act is known as an assessee.
10. Previous Year can be of less than 12 Months.

Q.1 B) Match the column. (Any 7 out of 10)

07

Sr.No	Column A	Sr.No	Column B
1	Dividend	a	Allowance as business expenses
2	Standard Deduction on Family Pension	b	Income from other sources
3	Housing loan repayment	c	80DD
4	Depreciation	d	Exempt income
5	Pune University	e	Individual
6	Rent received from open plot	f	Residential House
7	Dependent relatives physically handicapped	g	33.33% or Rs. 15,000 whichever is less
8	Mr. Shiva	h	Artificial Judicial Person
9	Capital Gain	i	Persortal Car
10	Not a Capital asset	j	Allowance U/s 80C

Q.2 Mr. Ramesh furnishes you the following information for the year ended 31st March, 2018. He 15
joined on 1st July, 2017.

Particulars	Amount
Basic Salary (per month) (net of professional tax and TDS)	45,000
Professional Tax	2300
Tax Deducted at Source	20,000



Paper / Subject Code: 79708 / Direct Taxation

Bonus	55,000
Travelling allowance	16,000
Dearness Allowances	700 (per month)
House Rent Allowance (exempt Rs 4800)	15,000
Personal Expenses paid by the company	4000
Education Allowance	800 per month
Taxable Car allowance	18,000
Arrears of Salary	35,000
Ex gratia	1,13,000

Compute his Net Taxable Income under the head income from Salary for the Assessment Year 2018-19.

OR

Q.2 Mr Anil has earned the following income during the PY ended 31 st March, 2018

15

Particulars	Amount
Dividend from Sri lankan Company received in India	1,18,000
Profit on sale of plant at Dombivali.	1,35,000
Gift from wife	1,85,400
Rent from plot of Land in Canada	1,55,000
Income from business in Mumbai controlled from New York	1,28,000
Dividend from Indian company	82,000
Rent from property in Punjab	89,000
Pension from Indian Employer received in UAE for services rendered in India	1,25,000

Compute his total income assuming: he is resident and ordinary resident, resident but not ordinary resident and non-resident.

Q.3 A) Mr. Mavi is the owner of two houses:

08

Particulars	SOP	LOP
Municipal Value	2,00,000	3,00,000
Fair Rent	2,20,000	3,80,000
Actual rent Received		3,15,000
Municipal taxes (Half paid)	8,000	5,000
Interest on housing loan	25,000	1,35,000

From the above information compute his, income under the head income from house property for the AY 2018-19.



Paper / Subject Code: 79708 / Direct Taxation

Q.3 B) Mr. Baijal who is person of an Indian Origin came first time on a visit to India on 1st July, 2017. He left India on 20th November, 2017. Determine his residential status for the A. Y. 2018-19 07

OR

Q.3 A) Mr. Ronson gives you the following information compute income from other sources for the A.Y: 2018 -19. 07

- 1) Dividend of Rs 90,000 received from an India Company.
- 2) Lease rent of vacant plot of land of Rs. 1,42,100 was received during the year.
- 3) Rs. 1,30,000 received by him from his friends on his wedding anniversary.
- 4) Interest of Rs. 18,000 received on a bank Fixed deposit.
- 5) He wins Rs. 62,000 from card games

Q.3 B) Mr. Zen 'sold residential building at Delhi for Rs. 70,00,000 on September 1, 2017. This building was acquired by him on 1st October 2012 for 5,00,000. He paid brokerage @ 1 % to the real estate agent at the time of sale of building. He purchased a residential building at Bangalore on March 7, 2018 for Rs.35,00,000. Mr X also made some improvement in the year 2013- 14 for Rs. 5,00,000. Compute Income from Capital Gains for the A.Y..2018-19 08

(CII (2012-13) -200, (2017 -18) - 272 and (2013-14) -220)

Q.4 From the following Profit & Loss Account of Mr. Z compute his- total taxable income for the Assessment Year 2018-19. 15

Profit and Loss Account for the year ended 31st March 2018.

Particular	Amount	Particular	Amount
To House hold expenses	6,000	By gross' profit	3,28,000
To Fire Insurance	2,800	By Commission	3,000
To Salary	1,75,000	By Interest form Saving Bank Account	10,000
To Advertisement	10,000		
To Mediclaim Paid for his wife	2,500		
To Postage and Telegram	1,600		
To Income Tax	4,280		
To Depreciation	4,800		
To Salary to Mr. X	2,250		
To Audit Fees	600		
To Staff Welfare expenses	2,500		
To Bonus to Staff	2,050		
To office Expenses	1,280		
To Net Profit	1,28,290		
Total	3,41,000		3,41,000

Additional Information:

- 1) Deprecation as per Income tax rules is Rs.5,000
- 2) Bonus to staff was outstanding.
- 3) He paid tuition fees to a school of Rs. 7 ,500 for his school going daughter

OR



Paper / Subject Code: 79708 / Direct Taxation

Q.4 From the following Profit & Loss Account of Mr. Krishna compute his total taxable income for the 15 Assessment Year 2018-19.

Profit and Loss Account for the year ended 31st March 2018

Particular	Amount	Particular	Amount
To Opening Stock	40,000	By Sales	23,12,600
To Purchases	15,00,000	By Closing Stock	42,400
To Office Salaries	37,000	By dividend from UTI	1,00,000
To Conveyance	31,200	By Gift From Father	24,000
To Stationery and Printing	31,600		
To Salaries	15,200		
To General Expenses	30,400		
To Depreciation	19,600		
To Income Tax	9,600		
To Salary to Mr. Krish	11,200		
To Interest on Capital	7,200		
To Net Profit	7,46,000		
Total	24,79,000		24,79,000

Additional Information:

- 1) Depreciation as per Income tax rules is Rs. 17000.
- 2) Mr. Krishna who is physically handicapped person with 60% disability paid premium for LIC Pension policy Rs.30,000.
- 3) He paid interest of Rs.90,000 on education loan taken from SBI for his son, pursuing postgraduate degree in medicine.

Q.5 A) Deduction from Income from House property 08
B) List out any 5 Deductions u/s80 07

Q.5 Write short notes: (any three) 15
a) Long term Capital Gain
b) Let house property.
c) Deduction under u/s 16
d) Person
e) Basic Condition & Additional condition for determining Residential status