

B.Com. (Semester – VI) Examination, April 2018
Accounting Major 2 : INCOME TAX, SERVICE TAX AND
GOA VALUE ADDED TAX
(Paper – II) (New Course)

Duration : 2 Hours

Max. Marks : 80

- Instructions :** i) Question No. 1 is **compulsory**.
 ii) Answer **any 3** questions from the **remaining** questions.
 iii) Show important working notes as **fair work**.
 iv) Figures to the **right** indicate marks **allotted**.

1. A) Miss Gloria Desai, a resident in India, gives the following details of her house property :

Particulars	House Property
Date of acquisition	1-4-2009
Cost of acquisition	Rs. 20,00,000
Cost of alteration of house property in December 2014	Rs. 4,00,000
Legal expenses incurred on account of transfer	Rs. 11,417
Sale consideration on 11-6-2016	Rs. 70,00,000
Brokerage and commission paid on account of purchase in 2009	Rs. 50,000
Exemption eligible U/s 54	Rs. 10,00,000
Cost inflation index : 2009 – 10 = 632, 2013 – 14 = 939, 2014 – 15 = 1,024, 2015 – 16 = 1,081, 2016 – 17 = 1,125.	

Compute the amount of capital gains for Assessment Year 2017-18. 5

- B) Mr. 'Generous', a resident individual, from Goa provides the following details for the financial year 2016 – 17 :

- i) Gross total income Rs. 4,50,000.
- ii) Donations to Clean Ganga Fund Rs. 10,000 by cheque.
- iii) Clothes and blankets worth Rs. 9,000 given to an approved charitable institution.
- iv) Cheque payment of Rs. 12,000 donated to Swachh Bharat Kosh.
- v) Donation by cheque to an approved public charitable institution Rs. 46,000.

Calculate the amount of deduction U/s 80-G for the Assessment Year 2017 – 18. 5

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C) Mrs. Geeta received the following gifts :

Date of receipt of gifts	Type of gifts	Fair market value (Rs.)
2 nd May 2015	Gold chain received from her friend (not taxed earlier)	40,000
21 st April 2016	Jewellery received from her mother	25,000
15 th November 2016	Art work from her sister's friend	5,00,000
1 st December 2016	Painting from her friend on the occasion of her marriage (purchased from registered dealer, invoice price Rs. 80,000)	—
15 th January 2017	Gold necklace	5,00,000

Compute the amount of gifts chargeable to tax for the Assessment Year 2017 – 18.

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D) Mr. 'Soham Naik', a registered dealer in Goa, has a gross sales turnover of Rs. 7,89,000 for the quarter ended 31st December, 2016. The following are included in the gross sales turnover :

- Sale of tax free goods in Goa Rs. 45,000.
- Value of goods returned within 4 months from the date of sale Rs. 4,000.
- Value of goods sent for sale to local agents Rs. 27,000.
- Cash discount of Rs. 3,000.

Calculate his taxable turnover for the above quarter under the Goa VAT Act, 2005.

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2. Mr. 'Aarish Gaunekar', a resident individual (68 years of age) submits the following information for Assessment Year 2017 – 18.

He owns two houses, the details of which are as follows :

Particulars	'Aarish Niwas'	'Aadira Niwas'
Municipal valuation	1,10,000	1,70,000
Fair rental value	2,15,000	2,50,000
Standard rent	2,00,000	Not applicable
Annual rent received	2,30,000	—
Vacancy allowance	10,000	—
Municipal taxes paid	3%	2%



Municipal taxes paid by tenant	40%	–
Unrealised rent of 2016 – 17	5,000	–
Repairs	12,000	17,000
Fire insurance premium of property	1,000	1,500
Interest on borrowed capital :		
Paid in the current year	45,000	55,000
Total interest on pre-construction period	24,000	–
Year in which 1 st installment of pre-construction period interest was claimed	2013 – 14	–
Nature of occupation	Let-out property	Self-occupied property
Purpose for which capital was borrowed	Construction	Repairs

Additional information during the financial year 2016 – 17 is as follows :

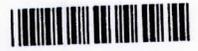
- a) Taxable income from salaries is Rs. 1,40,000 and from profession is Rs. 4,90,000.
- b) He has invested Rs. 50,000 in PPF A/c in his own name and Rs. 20,000 in his minor grand-daughter's name.
- c) He has paid life insurance premium (policy taken in 2014) on the life of his married daughter amounting to Rs. 5,000 (sum assured : Rs. 40,000).
- d) Repayment of loan taken from LIC for purchase of residential house property Rs. 30,000.
- e) He has incurred an expenditure of Rs. 25,000 towards medical treatment of his dependent sister who suffers from a locomotor disability of 80%.

Compute his total Taxable Income and Tax Payable for the Assessment Year 2017 – 18.

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3. Ms. 'Radhika Kundaikar' a resident individual (35 years of age) from Mumbai, submits the following information for Assessment Year 2017 – 18.
- i) Income from subletting the property on a monthly rent of Rs. 45,000, along with machinery installed. Depreciation of machinery for the year is Rs. 32,000.
 - ii) Dividend received from a foreign company Rs. 25,000.
 - iii) Income from articles published in Business India Magazine Rs. 7,000. She has spent Rs. 3,000 towards typing and other stationery expenses.
 - iv) Interest on 10% debentures of Jai-Hind Pvt. Ltd., a domestic company Rs. 28,000. She pays Rs. 200 as commission to her Bank for collecting interest.

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- v) Interest paid towards capital borrowed for investing in above debentures Rs. 6,000.
- vi) Interest from the Government on enhanced compensation for acquisition of her land Rs. 48,000.
- vii) Family pension received from Maharashtra Government (per month) Rs. 6,000.
- viii) Interest on saving bank account with different banks Rs. 17,550.
- ix) Income tax refund (including interest of Rs. 900) Rs. 19,000.
- x) Loan of Rs. 90,000 taken from a friend for marriage expenses.
- xi) She is a physically handicapped person with a disability of 50% and has spent Rs. 40,000 for her own medical treatment.
- xii) Computed income from a part-time business is Rs. 5,00,000.

Compute her total Taxable Income and Tax Payable for the Assessment Year 2017 - 18.

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4. Answer in short **any four** of the following :

(4×5=20)

- a) How is annual value of a property determined U/s 23 of the Income Tax Act, 1961 ?
- b) Deduction U/s 80D of Income Tax Act, 1961.
- c) Due dates for payment of advance income tax in case of non-corporate assessees.
- d) Best judgement assessment under the Income Tax Act, 1961.
- e) Define 'Dealer' under Goa VAT Act, 2005.

5. Answer in short **any four** of the following :

(4×5=20)

- a) Deduction U/s 24 in case of deemed to be let out property (DLDP).
- b) Deduction U/s 80 CCD of Income Tax Act, 1961.
- c) Payment of advance income tax in pursuance of an order of Assessing Officer.
- d) When can returns be filed beyond time U/s 139(4) of Income Tax Act, 1961 ?
- e) Explain 'Turnover' and 'Taxable Turnover' under Goa VAT Act, 2005.

6. a) Answer the following in relation to capital gains under the Income Tax Act, 1961.

i) Procedure for computation of short term capital gains.

ii) Definition of 'Capital Asset'.

b) What are the provisions regarding composition of tax under Goa VAT Act, 2005 ?

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