

Vidya Vikas Mandal's
 Shree Damodar College of Commerce & Economics, Margao-Goa
 S.Y.B.Com Semester- IV, Supplementary Examination, May/June 2019
Income Tax

Duration: 2 hours

Max. Marks: 80

Instructions: i) Question No. 1 compulsory.

ii) Answer any 3 questions from remaining questions.

iii) Show important working notes as fair work.

iv) Figures to the right indicate marks allotted.

1 A. Mr. Darshan is employed with TCS Ltd. at Bangalore from 1st June 2017. He is paid a basic salary of Rs. 45,000 per month and House Rent Allowance of Rs. 12,000 per month. He stays in a rented premises for which he pays a monthly rent of Rs. 14,000. Compute taxable amount of House Rent Allowance for the Assessment Year 2018-19.

(5 MKS)

B. Mr. Suraj started a new business on 19th April 2017 and purchased the following assets as on that day. You are required to calculate depreciation of Block of Assets for the Assessment Year 2018-19.

Particulars	Rate of depreciation	Amount
Office Building in Panaji	10%	23,00,000
Factory Building in Vena	10%	18,00,000
Residential Building for workers	5%	9,00,000
Furniture for Office	15%	2,00,000
Furniture for Residential Building	15%	1,00,000
Plant and Machinery	20%	9,00,000
Plant and Machinery(Delivery Van)	20%	1,00,000

(5 MKS)

C. Mr. Karl, a citizen of U.S.A provides you the details of his visit during last 8 years.

Previous year	Number of days stay in India
2010-11	130
2011-12	95
2012-13	198
2013-14	122
2014-15	25
2015-16	185
2016-17	180
2017-18	180

Prior to 01-04-2010 he did not visit India. Find out his residential status for the Assessment year 2018-19.

(5 MKS)

D. Compute the quantum of deduction under section 80C available to Mr. Ritesh for the Assessment Year 2018-19.

Particulars	Amount (Rs.)
Contribution to recognized provident fund	70,000
Repayment of principle amount of housing loan	55,000
Investment in NSC	15,000
Tuition fees of son doing LLB in Mumbai	32,000

(5 MKS)

2. Mr. Neil, a State Government employee in Panaji Goa receives the following emoluments for the year ending March 31,2018:

Salary Rs. 25,000 (Including entertainment allowance but net of deduction for tax and Provident Fund)

Provident fund deducted from salary Rs. 6,000 p.m.

Bonus received Rs. 26,000

Taxable Allowances Rs. 800 p.m

Entertainment allowance received Rs 3,500 p.m

He is given furnished house value of the perquisite is Rs. 2,500 p.m

Conveyance Allowance (60% is spend on official work) 1,200 p.m

Deduction for tax Rs. 3,500 p.m

Leave Travel Concession received from the employer Rs 75,000. He is entitled for Rs 60,000 as per prescribed rules

Reimbursement of medical expenses incurred on medical treatment of his wife in a private hospital of Rs. 35,000

Insurance premium paid by the employer on life of the assessee Rs. 2,500

Perquisite value of free domestic servant Rs. 5,500

Compute his Taxable Income from 'Salaries' for the Assessment year 2018-19.

(20 MKS)

3. Following is the Profit & Loss Account of Mrs. Verlekar for the year ending 31st March 2018

PARTICULARS	AMOUNT	PARTICULARS	AMOUNT
To Opening Stock	55,000	By Sales	54,68,000
To Purchases	51,45,000	By Closing Stock	90,000
To Freight	45,450	By Bank Interest	5,000
To Electricity Charges	29,450	By Net Loss	29,200
To Salaries	1,14,000		
To Telephone Expenses	56,400		
To Computer Stationary	29,200		
To Motor Car Expenses	35,200		
To General Expenses	13,800		
To Interest on Bank Loan	5,000		
To Bad Debts	12,000		

To Provision for Bad Debts	6,700		
To Depreciation on Fixed Assets	45,000		
TOTAL	55,92,200	TOTAL	55,92,200

Additional Information:

- One Third of Telephone Expenses were incurred for personal purposes
- Computer Stationary includes Rs. 12,000 for buying a printer on 01-09-2017
- General Expenses include Advance Income Tax of Rs. 5000
- Purchases include Rs. 50,000 paid in cash which is exceeding the limit prescribed by the Income Tax Act.
- Depreciation as per Income Tax Act is Rs. 56000.

Compute Income under the head 'Profits and Gains from Business & Profession' for the Assessment Year 2018-19.

(20 MKS)

4. Answer in short **ANY FOUR** of the following in relation to the Income Tax Act:

- Define the term 'Company'
- Definition of 'Person'
- Define salary u/s 17(1)
- Explain Chargeability section u/s 28 relating to Income from Business or profession.
- Explain Deduction u/s 80C

(5x4=20 MKS)

5. Answer in short **ANY FOUR** of the following in relation to the Income Tax Act:

- Define the term 'Assessee'
- Explain HRA u/s 10(13A)
- Define prerequisites u/s 17(2)
- Define Depreciation u/s 32
- Explain Deduction u/s 80D

(5x4=20 MKS)

6. Answer in short **ANY FOUR** of the following in relation to the Income Tax Act:

- Define the term 'Gross Total Income'
- Provision relating to residential status of Hindu Undivided Family(H.U.F)
- Explain the deductions from salary u/s 16
- Explain excess payment u/s 40 A (3)
- Explain Deduction u/s 80TTA.

(5x4=20 MKS)