



B.Com. (Semester – VI) Examination, April 2016
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) Mrs. Shivangi has received the following gifts during the previous year 2014-15.

- i) Gift of gold Necklace from college friends on her marriage (Fair Market Value Rs. 3,50,000).
- ii) Gift of diamond ring from elder brother (Fair Market Value Rs. 4,50,000).
- iii) Gift of gold chain on her birthday from husband's friend (Fair Market Value Rs. 2,50,000).
- iv) Gift of painting from her sister (Fair Market Value Rs. 50,000).

Compute the amount of gifts chargeable to tax for the Assessment Year 2015-16.

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B) Ms. Shivani, provides the following details of her house property for the previous year 2014-15.

	Rs.
Purchase of house property on 1 st April 2001	4,00,000
Sale of house property on 15 th December 2014	20,00,000
Cost of alteration in June 2005	1,50,000
Construction of additional room in March 2010	2,00,000
Brokerage paid on account of transfer	20,000
Legal expenses paid on account of transfer	4,000
Cost Inflation Index : 2000-2001 = 406, 2001-02 = 426, 2004-05 = 480, 2005-06 = 497, 2009-10 = 632, 2010-11 = 711, 2013-14 = 939, 2014-15 = 1,024.	

Compute the amount of Capital Gains for Assessment Year 2015-16.

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- C) Mr. Shivprasad, a resident in India, 37 years of age, paid by cheque during the financial year 2014-15, insurance premium of Rs. 8,000 on his own health and Rs. 6,000 for his dependent sister, Rs. 22,000 on the health of his independent father, aged 62 years of age. He also paid Rs. 6,000 by cash on preventive health check up of his spouse.

Compute the amount of deduction u/s 80 D for Assessment Year 2015-16. **5**

- D) Mr. Shiva, who is a registered dealer in Goa, provides the following information for the quarter ended December 31, 2015.

	Rs.
a) Sale prices of goods sold for cash (not inclusive of VAT)	7,75,000
b) Sale prices of goods sold for deferred payment (not inclusive of VAT)	1,25,000
c) Inter-State sales (included in above sales)	80,000
d) Import of packing material, inclusive of custom duty	10,000
e) Excess input tax credit brought forward from last quarter	10,250
f) ITC available for purchase made from registered dealer	80,250
g) VAT rate	12.5%

Calculate the amount of Taxable Turnover and Tax Liability for quarter under Goa VAT Act, 2005. **5**

2. Mr. Shivanand, 64 years of age, who is resident individual from Goa provides the following information of his income during the previous year 2014-15. He is the owner of two let out house properties called 'Ganesh Niwas' 'Kartik Griha'.

Particulars	Ganesh Niwas Rs.	Kartik Griha Rs.
Fair rent	2,10,000	2,00,000
Municipal valuation	2,25,000	2,50,000
Standard rent	2,20,000	2,25,000
Monthly rent	15,000	16,000
Rent unrealised	1 Month	1 Month
Vacancy period	1 Month	2 Months
Municipal taxes (50% borne by owner)	1% (Paid)	1% (Paid on 10-4-2015)
Installment paid on loan for acquisition of house :		
Interest	31,000	35,000
Principal	60,000	70,000
Date of receiving loan	1-2-1999	1-1-2009



He provides the following details of his investments / payments :

- a) He paid Rs. 1,20,000 (including Principal of Rs. 90,000) towards loan taken for higher studies of his daughter pursuing Masters Degree in India.
- b) Deposit in Sukanya Samriddhi Account of minor daughter Rs. 15,000.
- c) Deposited in his PPF Account Rs. 10,000.
- d) He paid insurance premium on life of his independent son Rs. 12,000 (Policy effected in May 2013, Sum assured Rs. 1,00,000).
- e) He is a new investor who acquired listed equity shares of Rs. 60,000 under notified 'Equity Saving Scheme'.

His computed income from profession is Rs. 2,40,000 and taxable salary from a part time job is Rs. 1,44,000.

Compute his Total Taxable Income and Tax Payable for the Assessment Year 2015-16.

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3. Miss Ankita, from Mumbai aged 35 years and a Resident Individual with a permanent Physical Disability of 50%, provides the following information, relating to her Income, during the previous year 2014-15.

	Rs.
a) Dividend from ACC Cement Ltd.	20,000
b) Maturity of Key man Insurance Policy (Excluding Bonus Rs. 25,000)	75,000
c) Interest on Bonds issued by Government of Korea	15,000
d) Monthly rent from Sub-Letting of house property	5,000
e) Monthly rent paid to the landlord on Sub-let property	2,500
f) Income from agricultural activity in Sri Lanka	24,000
g) Interest on 10% Debentures of Jai-Hind Pvt. Ltd., a domestic Company	28,000
h) Interest paid towards capital borrowed for investing in above debentures	6,000
i) Interest from the Government on enhanced compensation for acquisition of his land	48,000
j) Family Pension (per month)	6,000
k) Interest on Saving Bank Account with different banks	7,550
l) Income tax refund (including interest of Rs. 900)	17,000
m) Interest on Post Office Saving Bank Account	4,000
n) Taxable income from salaries	60,000
o) Taxable profit from business	1,50,000



She also provides the following information, relating to her savings and investments during the previous year :

- 1) LIC Premium paid in the name of father Rs. 12,000
(Policy taken on 1-6-2013, Sum Assured Rs, 1,50,000).
- 2) Donation to Clean Ganga Fund Rs. 5,000.
- 3) Donation to Govt. for the purpose of promotion of Family Planning Rs. 25,000.
- 4) Donation to Prime Ministers Drought Relief Fund Rs. 10,000.
- 5) Donation to Jawaharlal Nehru Memorial Fund Rs. 10,000.

Compute her Taxable Income and Tax Liability for Assessment Year 2015-16. **20**

4. Answer in short **any four** of the following : **(4x5=20)**
 - a) Self occupied house property.
 - b) Deduction u/s 80 DD of Income Tax Act, 1961.
 - c) Due dates and payment of Advance Tax by the assessee of his own account.
 - d) Best Judgement Assessment u/s 144 of Income Tax Act, 1961.
 - e) Definition of 'Dealer' under Goa VAT Act, 2005.
5. Answer in short **any four** of the following : **(4x5=20)**
 - a) Deduction u/s 24 in case of let out house property.
 - b) Deduction u/s 80 CCC of Income Tax Act, 1961.
 - c) Payment of advance income tax is pursuance of an order of Assessing Officer.
 - d) Voluntary Return of Income under Income Tax Act, 1961.
 - e) Definition of 'Goods' under Goa VAT Act, 2005.
6. A) Answer the following in relation to Income Tax Act, 1961.
 - i) Definition of 'Transfer'. **5**
 - ii) Procedure of computation of Long Term Capital Gains. **5**
- B) Describe Composition of Tax under Goa VAT Act, 2005. **10**