

2811

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics
TY B.Com, Semester-VI, Semester End Examination, January 2021
Accounting Major-II (Old Course)

Duration: 2 Hours

Total Marks: 80

Instructions:

1. Question 1 is compulsory
2. Answer any 3 questions from the remaining questions
3. Show important working notes as fair work
4. Figures to the right indicate marks allotted

1 A. Mr. Suhas, who is a resident of India makes the following contributions during the Assessment Year 2020-21.

- i. Investment in National Saving Certificate Rs. 12000
- ii. Housing Loan Principal Repayment Rs. 76000
- iii. Life Insurance Premium paid (Sum Assured – Rs. 300000) Rs. 40000
- iv. Contribution to PPF Rs. 40000
- v. Tuition Fees of daughter pursuing her MBA in Dubai Rs. 56000

Compute the quantum of deduction under Section 80C for the Assessment Year 2020-21. (5)

1 B. Mrs. Siddhi purchased a house property for Rs. 2,00,000 in the year 1970-71. Following details are provided to you.

- Cost of Construction in the year 1978-79 Rs. 150000
- Cost of Construction of 1st Floor in 2004-05 Rs. 350000
- Alteration to House Property in 2013-14 Rs. 300000
- Fair Market Value of the property on 1st April 2000 is Rs. 500000. The house property is sold to Mr. Alok in the Previous Year 2019-20 for Rs. 5000000
- Expenses incurred on transfer Rs. 5000

Compute Capital Gains for the Assessment Year 2020-21

[Cost Inflation Index -2001-02: 100, 2004-05: 113, 2013-14: 200, 2017-18: 272, 2018-19: 280, 2019-20: 289]

(5)

1 C. Write a short note on Input Tax Credit

(5)

1 D. Mr. Rohan received the following gifts during the financial year 2019-20

- Cash Gift from Father in Law Rs. 25000
- Cash Gift from friends on the occasion of his marriage Rs. 37000
- Gift of wrist watch by friend (Value of Watch) Rs. 12000
- Gift of car worth Rs. 2,60,000 from brother
- Shares received from wife's friend Market Value as on date of gift Rs. 51000

(5)

2. Mr. Anil, 52 years of age, a resident individual from Ponda, Goa provides the following information of his income during the previous year 2019-20. He is the owner of two let out house properties in Ponda and Miramar respectively.

Particulars	Ponda House	Miramar House
Fair Rent	3,20,000	3,00,000
Municipal Valuation	3,25,000	3,60,000
Standard Rent	3,20,000	3,50,000
Monthly Rent	20,000	25,000
Rent Unrealised	1 month	1 month
Vacancy Period	1 month	1 month
Municipal Taxes (40% paid by owner)	2%	1.5%
Date of loan for acquisition of house property	1-3-1999	1-1-1999
Interest on capital borrowed	45,000	46,000
Fire Insurance Premium	4,000	3,000

He also provides you with the following additional details relating to his investments/ payments:

- He pay life insurance premium on life of his daughter Rs. 15,000 (Sum Assured Rs. 1,20,000).
- Repayment of loan taken for the purpose of daughters further education Rs. 1,40,000. including interest of Rs. 30,000 and principal amounting to Rs. 1,10,000
- Deposit in PPF Account Rs. 40,000.
- Investment in tax saving ELSS Scheme Rs. 50,000
- He spent Rs. 24,000 towards medical treatment of his father who suffers from severe disability.
- His computed income from profession is Rs. 4,85,000 and Income from Salaries is Rs. 2,80,000.

Compute his taxable income and tax payable for Assessment Year 2020-21.

(20)

3. Mr. Sandesh aged 35 years resident individual from Margao provides the following information relating to his income during the previous year 2019.20

Particulars	Amount
Dividend from Infosys Ltd.	25,000
Dividend received from foreign company	34,000
Royalty Income receive	14,000
Interest on Bonds issued by Government of Singapore	42,000
Monthly rent from Sub-Letting of house property	10,000

Monthly rent paid to the landlord on Sub-let property	6,000
Income from agricultural activity in Indonesia	54, 000
Interest from 8% Debentures of Indian Company	12,000
Interest paid on loan taken to invest in above debentures	24,000
Interest on enhanced compensation received from Government on acquisition of land	
Family pension per month	8,000
Interest on Savings Bank Accounts held in different banks	9,000
Income Tax Refund (including interest of Rs. 700)	1900
Interest on Post Office Savings Bank Account	500
Taxable Income from Salaries	2,45,000
Taxable profit from Business	1,80,000

He also provides the following information relating to his savings and investments during the Previous Year 2019-20.

- LIC Premium Paid Rs. 15,000 towards insurance on life of his wife.
- Donation to Prime Ministers National Relief Fund Rs. 25,000.
- Donation to National Sports Fund Rs. 10,000
- Donation to National Children Fund Rs. 5,000
- Donation to Government for the purpose of promoting family planning
- Contribution towards renewal of medical insurance policy Rs. 12000

You are required to compute his taxable income and tax liability for the Assessment Year 2020-21

(20)

4. Answer in short **any four** of the following (4x5=20)

- Deduction u/s 80DD of Income Tax Act, 1961
- Due Dates for Payment of Advance Tax by assessee on his own account
- Self Assessment u/s 140A
- Benefits of VAT
- Gross Annual Value of House Property u/s 23

5. Answer in short **any four** of the following (4x5=20)

- Deduction u/s 24 in case of Let out House Property
- Deduction u/s 80U of Income Tax Act, 1961
- Validity of E-Way Bill
- Belated Return under Income Tax Act, 1961
- Payment of advance income tax in pursuance of an order of Assessing Officer

6 A. Answer the following in relation to the Income Tax Act, 1961

i. Definition of 'Capital Asset'

(5)

ii. Procedure for computation of Long Term Capital Gains

(5)

B Composition Scheme

(10)