1 - - NOV 2023

Total No. of Questions: 08 **Seat No.:**

DES SHRI NAVALMAL FIRODIA LAW COLLEGE, PUNE

Diploma in Taxation Laws

Subject Name & Code - : INCOME TAX ACT, 1961 [0102]

(2018 Pattern) (Paper-II)

Time: 3 Hours] **[Max. Marks: 100**

Instructions to the candidates:

1) Question 1 is compulsory and carries 20 marks.
2) Answer any five of the remaining carrying 16 marks each.

Q 1. Dr. Niranjana, a resident individual, aged 60 years is running a clinic in Surat. Her Income and Expenditure Account for the year ending March 31st, 2023 is as under:

(20 Marks)

Expenditure	Amount	Income	Amount
To Medicine consumed	35,38,400	By Consultation and medical charges	58,85,850
To Staff salary	13,80,000	By Income-tax refund (principal 5,000, interest ` 450)	5450
To Clinic consumables	1,10,000	By Dividend from units of UTI (Gross)	10,500
To Administrative expenses	2,55,000	By Winning from game show on T.V. (net of TDS of ` 15,000)	35,000
To Rent paid	90,000	By Rent	27000
To Amount paid to scientific research association approved u/s 35	1,50,000		
To Net profit	4,40,400		
	59,63,800		**59,63,800**

i) Rent paid includes ` 30,000 paid by cheque towards rent for her residential house in Surat.

ii) Clinic equipments are:

1.4.2022	Opening W.D.V.	- ` 5,00,000
7.12.2022	Acquired (cost) by cheque	- ` 2,00,000

(iii) Rent received relates to residential house property situated at Surat. Gross Annual Value` 27,000. The municipal tax of ` 2,000, paid in December, 2022, has been included in "administrative expenses".

(iv) She received salary of ` 7,500 p.m. from "Full Cure Hospital" which has not been included in the "consultation and medical charges".

(v) Dr. Niranjana availed a loan of ` 5,50,000 from a bank for higher education of her daughter. She repaid principal of ` 1,00,000, and interest thereon 55,000 during the previous year 2022-23.

(vi) She paid ` 1,00,000 as tuition fee (not in the nature of development fees/ donation) to the university for full time education of her daughter.

(vii) An amount of ` 28,000 has also been paid by cheque on 27th March, 2023 for her medical insurance premium.

From the above, compute the total income of Dr. Smt. Niranjana for the A.Y. 2023-24 under the regular provisions of the Income-tax Act, 1961.

Q 2. Enumerate any 8 items which are exempt from tax under Income Tax Act 1961-

(16 Marks)

Q3. Explain provisions of Set off and Carry forward of losses – **(16 Marks)**

Q4. Examine under which heads the following incomes are taxable along with reason: - **(16 Marks)**

(i) Rental income in case property held as stock-in-trade for 3 years
(ii) Salary received by a partner from his partnership firm
(iii) Rental income of machinery
(iv) Winnings from lotteries by a person having the same as business activity
(v) Salaries payable to a Member of Parliament
(vi) Receipts without consideration
(vii) In case of retirement, interest on employee's contribution if provident fund is unrecognized.
(viii) Rental income in case of a person engaged in the business of letting out of properties.

Q5. Explain any 8 kind of income & 8 kind of expenditure Chargeable/ Allowable under the Head 'Profit and Gain of Business and Profession. **(16 Marks)**

Q6. Ganesh has three houses, all of which are self-occupied. The particulars of the houses for the P.Y. 2022-23 are as under:- **(16 Marks)**

Particulars	House I	House II	House III
Municipal valuation p.a.	5,00,000	4,60,000	5,30,000
Fair rent p.a.	5,75,000	2,75,000	5,80,000
Standard rent p.a.	5,50,000	4,70,000	5,75,000
Date of completion/purchase	31.3.1999	31.3.2002	01.4.2015
Municipal taxes paid during the year	12%	8%	6%
Interest on money borrowed for repair of property during the current year	-	55,000	
Interest for current year on money borrowed in April 2015 for purchase of property			1,75,000

Compute Ganesh's income from house property for A.Y.2023-24 and suggest which houses should be opted by Ganesh to be assessed as self-occupied so that his tax liability is minimum.

Q7. Explain any 8 offenses for which prosecution is attracted along with details of prosecution. **(16 Marks)**

Q8. Write short notes (Any 2) **(16 Marks)**

1. Advance Tax
2. Residential Status of Individual
3. Components of Income Tax law
4. Exempt Perquisites under the head Income From salary

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APR 2023

Total No. of Questions: 08 **Seat No.:**

DES SHRI NAVALMAL FIRODIA LAW COLLEGE, PUNE

Diploma in Taxation Laws

Subject Name & Code - : INCOME TAX ACT, 1961 [0102]

(2018 Pattern) (Paper-II)

Time: 3 Hours] **[Max. Marks: 100**

Instructions to the candidates:

1) Question 1 is compulsory and carries 20 marks.
2) Answer any five of the remaining carrying 16 marks each.

Q 1. X (64 years) is a director HRD of A Ltd since May 1985. He gets Rs 110000/- per month as salary (up to Sept 30, 2022, it was Rs 100000 per month) and Rs 3000 per month as incentive. He owns a car which is used by him for official and private purpose. The entire expenditure of car and driver Rs 195000/- is borne by the employer company. As per log book of Car 70% of the expenditure is attributable towards official use of car.

Company reimburses Rs 20200 on account of personal telephone bills and Rs 8000 on account of personal water bills during F Y 2022-23. Employer Company contributes 12% of salary towards recognized provident fund (X also makes a matching contribution) and 15% of salary towards approved superannuation fund.

2023

X retires from the company on Feb 28, 2022 and gets gratuity Rs 2200000 (The company is covered by the Payment of gratuity Act). After retirement he gets fixed pension of Rs 10000 per month. Salary and pension become due on last day of each month and generally paid on same day. Assuming that income of X from the other source is Rs 360500 Find Net income and tax liability of Mr X for A Y 2022-23. Ignore Sec 115BAC.

2023-24

Q 2. Explain any 8 permissible deductions from gross total income.

Q 3. What are the various types of Income Tax Returns? What are the due dates of filing of IncomeTax Returns? What are the provisions regarding Belated Returns & Revised Return?

Q4. Examine with reasons whether the following transactions attract income-tax in India in the hands of recipients:

1. Salary paid by Central Government to Mr. John, a citizen of India ` 15, 00,000 for the services rendered outside India.
2. Interest on moneys borrowed from outside India ` 5, 00,000 by a non-resident
3. Royalty paid by a resident to a non-resident in respect of a business carried on outside India.
4. Legal charges of 5, 00,000 paid in Delhi to a lawyer of United Kingdom who visited India to represent a case at the Delhi High Court.

Q5. Describe different kinds of persons.

Q6. Prem owns a house in Madras. During the previous year 2022-23, 2/3rd portion of the house was self-occupied and 1/3rd portion was let out for residential purposes at a rent of 8,000 p.m. Municipal value of the property is 3,00,000 p.a., fair rent is 2,70,000 p.a. and standard rent is 3,30,000 p.a. He paid municipal taxes @10% of municipal value during the year. A loan of 25,00,000 was taken by him during the year 2018 for acquiring the property. Interest on loan paid during the previous year 2022-23 was 1, 20,000. Compute Prem's income from house property for the A.Y. 2023-24.

Q7 Explain any 8 Interest Provision under Income Tax Act.

Q8 Write Short Notes.

1. Allowable deductions under the head Income From House Properties
2. Rebate u/s 87A of Income Tax act for AY 23-24
3. Audit under Income Tax Act
4. Clubbing of Income of Minor

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Total No. of Questions : 8]

SEAT No. :

PA-856

[Total No. of Pages : 4

[5935]-102

Diploma in Taxation Laws

102 : INCOME TAX ACT, 1961 (Paper - II)

(2018 Pattern)

Time : 3 Hours] *[Max. Marks : 100*

Instructions to the candidates:

1) *Question 1 is Compulsory and carries 20 marks.*
2) *Answer any five of the remaining carrying 16 marks each.*

Q1) Mrs. Sandhyarani Nitin is employed in a company "Sadhana Design Systems Pvt. Ltd." She furnished the following particulars of income for P.Y. 2021-22.

1) Basic Salary - Rs. 15,000/- per month.
2) Dearness Allowance - Rs. 6,000 per month (out of which Rs. 2,000 per month is considered for retirement benefit).
3) Bonus.
   i) for the year Rs. 4,000.
   ii) arrears for earlier year Rs. 10,000.
4) Advance salary for April 2022 drawn in March 2022-Rs. 15,000.
5) Interest on Recognised Provident fund @ 13% - Rs. 39,000.
6) Employer's contribution to Recognised provident fund is 15% of salary.
7) She is provided with furnished accommodation (a spacious bunglow) at Mumbai owned by the employer. A Fair rental value of bunglow is Rs. 10,000 per month. Cost of furniture is Rs. 50,000. Rent paid for accommodation by her is Rs. 2,000 per month.
8) The company has provided her the facility of sweeper watchman and servant who are paid by the employer Rs. 1500 p.m., Rs. 1,800 p.m., Rs. 1,700 p.m. respectively.
9) Hospital bills reimbursed by the employer Rs. 50,000.
10) She has been provided with a 1800 C C car for both official and private purpose. The entire expenses of Rs. 45,000 on running and maintenance of car are borne by the employer.
11) Gas, electricity and water supply bills paid by employer Rs. 12,000.
12) Professional tax paid - Rs. 2,500.

Compute her taxable imcome from salary for Assessment Year. 2022-23 considering she follows old tax regime.

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Q2) Give in details the process of set off and carry forward of loss under income Tax Act 1961?

Q3) Explain in details the valuation and chargeability to tax of the following perquisites under the head "Income from Salaries".

a) Valuation of Perquisite in respect of Education Facility.

b) Valuation of Perquisite in respect of Club facilities.

c) Valuation of perquisites in respect of interest free loan or loan at concessional rate.

Q4) Rajesh Jadhav owns two houses and he wants to give one on rent and occupy the other house for his own occupation.

From the following information, please advice him which house of the two to be occupied as self occupied and which one is to be let out.

Particulars	House No. 1	House No. 2
Muncipal Valuation	1,00,000	1,26,000
Fair rent	1,10,000	1,20,000
Standard rent	90,000	1,28,000
Annual rent	1,20,000	1,32,000
Muncipal Taxes paid	18,000	24,000
Interest on housing loan	36,000	1,80,000
Date of Housing Loan	1st April 1998	December 1998
Date of Completion of Construction	May 2001	April 2000

Q5) Enemerate any 15 items of Income which are exempt from tax under Income Tax Act 1961?

Q6) What are the provisions regarding clubbing of income under Income Tax Act? Discuss.

Q7) Explain the residential status of individual under Income Tax Act and how income is charged to tax on basis of residential status?

Q8) Write short note any Two from the follwoing:

a) Indian income and foreign income.

b) Person.

c) Deduction under section 80G.

d) Tax deducted at Source Default.

e) Difference between Capital receipts and Revenue receipts.

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Total No. of Questions : 8]

SEAT No. :

P2544

[Total No. of Pages : 3

[5848]-12

Diploma in Taxation Laws

102 : INCOME TAX ACT, 1961 (Paper - II)

(2018 Pattern)

Time : 3 Hours] *[Max. Marks : 100*

Instructions to the candidates:

1) *Question 1 is compulsory and carries 20 marks.*
2) *Answer any five of the remaining carrying 16 marks each.*

Q1) X age 40 years is a computer engineer and is employed by a company as a manager. Following are the details -

a) He gets Rs. 84,000/- per month as salary, and 2 months' salary as bonus.

b) Upto October 31st 2021 he was posted at the corporate office of the company at Chennai. He had been provided a rent-free unfurnished accommodation at Chennai upto October 31st 2021, which is owned by the company. With effect from November 1st 2021 he has been transferred to a new site of the company which is situated in a remote area".

c) After October 31st 2021 he gets the following allowances from the company-

i) Transfer allowances 1,40,000/- amount spend on fare and other incidental expenses in connection with such transfer is Rs. 1,02,000/-.

ii) A rent free furnished flat at new site owned by the Company.

iii) Club facility at the power generating site for the personal entertainment of the employee and family members (expenditure of the company is Rs. 500/- per month.

iv) Maruti car for official and personal purpose (without driver) expenses of the company Rs. 40,000/-.

P.T.O.

v) Education facility to the dependent brother of X in a school owned by the company, in the remote area at the new site (cost of education in the similar institute Rs. 600/- per month).

vi) Meal at the generating site, cost of meal Rs. 80/- per day.

vii) Medical facility in employers hospital at the new site, (expenditure incurred by the company Rs. 16,000/-).

d) Company maintains unrecognized provident fund and contributes 14 per cent of salary towards it. X contributes Rs. 10,000/- per month.

e) Income of X from other sources is fixed deposit bank interest Rs. 1,67,000/-

f) X contributes Rs. 1,40,000/- in Public Provident fund.

Determine the net income and tax liability of X under the Regular tax regime only (old tax regime) for the Assessment Year 2022-23.

Q2) Explain any 10 permissible deductions from gross total income.

Q3) Explain in brief the provisions relating to set-off and carry forward of losses.

Q4) X owns a residential house property in Chennai. It is let out to 'A' Ltd. Following are the details -

a) Rent being Rs. 40,000/- per month. Municipal value of the property is Rs. 2,20,000/-, fair rent is Rs. 4,80,000/-. 'A' Ltd. pays Municipal tax.

b) On April 7th 2021 rent is increased from Rs. 40,000 per month to Rs. 45,000/- per month with retrospective effect from April 1st 2020. X gets 60,000/- being arrears of rent for the financial year 2020-21 on 20.04.2021.

c) Income from other sources is Rs. 5,00,000/-.

Find out income from house property for the Assessment Year 2022-23.

Q5) Explain the provisions relating to Residential Status of an Individual.

Q6) Explain the income which is included under income from other sources.

Q7) X sells Preference shares in 'A' Ltd. on 20.11.2021 for Rs. 18,00,000/-. Fair market value of these shares as per Bombay Stock exchange is Rs. 20,00,000/-. These shares were purchased on 15.06.2016 for Rs. 1,55,000/-.

On 01.12.2021 he invests Rs. 8,00,000/- in bonds of National Highway Authority of India for claiming exemption under section 54EC. On 31.07.2023 he deposits 5,00,000/- under section 54F for construction of a house in future. Construction of house will be completed on 24.10.2024. Total investment of Rs. 4,50,000/- is financed by withdrawing from the bank account. Income of X from other sources is Rs. 8,00,000/-.

Determine the taxable income for the Assessment Year 2022-23. X does not own any other house.

Cost of inflation index for financial year 2016-17-264.

Cost of inflation index for financial year 2021-22-317.

Q8) Explain any 10 provisions relating to "Deduction and collection of tax at source."

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APR 2019

Total No. of Questions—8] [Total No. of Printed Pages—4

Seat No.	

[5546]-102

DIPLOMA IN TAXATION LAW EXAMINATION, 2019

INCOME TAX ACT 1961

Paper II

(2018 PATTERN)

Time : Three Hours **Maximum Marks : 100**

N.B. :— (*i*) Question No. **1** is compulsory and carries **20** marks.

(*ii*) Answer any *five* of the remaining carrying **16** marks each.

1. X, age 45 years is a cost accountant. He is posted at Nashik (Maharashtra). He gets Rs. 65,000/- per month as salary and Rs. 10,000/- per month as hard duty allowance. The employer company has provided a rent -free unfurnished house at Nashik (population as per 2001 census is 16 (lakhs). The employer company pays Rs. 16,000/- per month as rent of the unfurnished House. However the same house is purchased by the company for Rs. 80,000/- from the land lord on December 1st 2017 and after that no rent is paid. The company has provided 1600 cc car at the place of posting. Car is taken on lease by the company. (monthly lease rent is Rs. 19,000/-). The entire expenditure of the car is met by the company upto December 31st 2017. From January 1st 2018 expenditure pertaining to personal use of the car

P.T.O.

20

is met by X and expenditure pertaining to official use and lease rent is paid by the employer company. Free residential telephone is provided to X for personal use. (expenditure of the employer is Rs. 20,000)

Employer and employee contribute towards recognized provident fund. Contribution of each of them is 12% of salary upto December 31st 2017 and Increased to 12.5% from January 1st 2018. X pays 80,000/- on March 31st 2018 to Maharashtra Housing Board. (house is yet to be allotted) (out of Rs. 80,000/- the employer company has contributed Rs. 30,000/- out of his own pocket which is not recoverable from X.) Interest on debentures received by X during the financial year 2017-18 is Rs. 86,000 /-. X deposits 42,000/- in Public Provident fund account. Find out the net income and tax liability for the assessment year 2018-19.

2. Explain any 10 items of Income which are exempted from tax under Section 10 of the Income Tax Act 1961.

3. Explain the provisions relating to Residential Status of an Individual and its effects on tax incidence.

4. Explain the Provisions relating to Clubbing of Income under the Income Tax Act 1961.

(21)

5. X 53 years purchased a house property on July 17, 1999 for Rs. 45,000/- (in addition he paid stamp duty at the rate of 12% on the stamp duty value of Rs. 50,000/-) Fair market value of the property on April 1st 2001 is Rs. 48,000. X incurred the following expenses.

(a) Construction of a Room on the ground floor during 1999-2000 Rs. 30,000/-

(b) Renewals/reconstruction in 2016-17 Rs. 40,000/-

The property is transferred on April 6th 2017 for Rs. 95,00,000/- (stamp duty value is Rs. 99,00,000/- on which the purchaser has paid stamp duty at the rate of 9%). X made the following investments.

(1) On April 1st 2017, X purchased Rs. 10,00,000/- National Highway Authority of India bonds for availing exemption under section 54 EC.

(2) On March 31st 2017, X purchased a residential house property in Pune for Rs. 13,00,000/-. In addition he paid a stamp duty at the rate of 6% on stamp duty value of Rs. 15,00,000/-.

(3) On June 30th 2017, X constructed first floor in Pune property by spending Rs. 2,70,000/-.

(4) On October 8th 2017, X purchased Rs. 8,00,000/- Rural Electrification Bonds for availing exemption under section 54 EC.

Compute the Capital gain of X for the Assessment Year 2018-19.

Cost of inflation index for F.Y. 2016-17 – 264

Cost of inflation index for F.Y. 2017-18 - 272

22

6. What do you understand by "income from other sources" ? State the main incomes which are included under this head.

7. What are the basic Principles for arriving at business Income.

8. What are the various types of Income Tax Returns ? What are the due dates for filling of the return ? What are the provisions regarding belated returns and revised returns ?

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Total No. of Questions—8] [Total No. of Printed Pages—3

Seat No.	

[5446]-12

D.T.L. Examination, 2018

Paper-II

Income Tax Act 1961

Time : 3 Hours **Maximum Marks : 100**

N.B. :— (*i*) Question No. **1** is compulsory and carries **20** marks.

(*ii*) Answer any *five* of the remaining carrying **16** marks.

1. The following is the Profit and Loss account for the year ending on 31st March, 2017 furnished by Mr. Anurag Salunke :

Particulars	**Amount**	**Particulars**	**Amount**
To Salary	1,60,000	By Gross Profit	4,20,000
To Rent and Taxes	60,000	By Commission	42,000
To Commission	16,000	By Sundry receipts	4,200
To Advertisement expenses	15,000	By Interest on Fixed Deposit	35,000
To R.D.D.	8,000	By Gift from friend	2,900
To Depreciation	20,000		
To Legal Expenses for Income tax Case	2,000		
To Conveyance	8,400		
To Stationery	15,200		
To Bonus	16,000		
To Contribution to Provident Fund	12,500		
To Net Profit	1,71,000		
Total	**5,04,100**	**Total**	**5,04,100**

P.T.O.

24

Additional Information :

(1) Depreciation allowable as per Income Tax Act is Rs. 18,000.

(2) Rent and taxes includes Rs. 8,000 as property tax on residential house of Mr. Anurag.

(3) Advertisement includes Rs. 12,000 as the cost of permanent signboard fixed on the shop premises.

(4) Sundry receipts Rs. 4000 are in respect of recovery of personal loan given by Anurag to his friend.

(5) Contribution by the employer to Provident Fund Rs 4,000 due for March, 2017 is paid on 15-04-2017.

You are required to compute Income from Business of Mr. Anurag Salunke for the assessment year 2017-2018.

2. Enumerate any 15 items of income which are exempt from tax under Income Tax Act, 1961.

3. Explain different kinds of Provident Funds ? What is the tax treatment available under Income Tax Act in case of each of them ?

4. Enumerate in detail "Receipts without consideration treated as income" under the head "Income from other sources".

5. Give in detail the process of Set off and Carry Forward of Losses under Income Tax Act, 1961 ?

6. Mrs. Bharati Umesh had purchased a house property in August 2001 for Rs. 2,50,000 in Satara. She sold this property in September 2016 for Rs. 17,50,000.

In the month of December 2016 she purchased a new flat at Pune for Rs. 10,00,000 and in the same month she has invested Rs. 2,50,000 in Capital Gain Bonds issued by Rural Electrification Corporation Ltd.

Compute the capital gain of Mrs. Bharati Umesh for the A.Y. 2017-18.

Cost inflation Index for F Y 2001-2002 –426

F.Y. 2016-17 –1125

7. Explain the residential status of Individual under Income Tax Act 1961 ? And how income is charged to tax on the basis of Residential status ?

8. Write short notes any *two* of the following :

(*a*) Agriculture Income

(*b*) Various types of Income Tax Returns

(*c*) Advance Payment of Tax

(*d*) Penalties.

Total No. of Questions : 8]

SEAT No. :

P1291

[Total No. of Pages : 2

[5339]-12
D.T.L.
INCOME TAX ACT 1961
(2006 Pattern) (Paper - II)

Time : 3 Hours] *[Max. Marks : 100*

Instructions to the candidates:

1) *Question No 1 is Compulsory and carries 20 marks.*
2) *Answer any five of the remaining. carrying 16 Marks.*

Q1) Varsha receive the following incomes from Upendra Pvt Ltd during the year ending on March 31, 2017

i. Salary – Rs 9,62,000

ii. Leave Travel Concession for proceeding on Leave (Actual Expenditure on Rail Fare Rs 10,800) Rs 24,500

iii. Tiffin Allowance Rs. 7,000

iv. Reimbursement of medical expenses for treatment of Varsha and her family members in a private clinic Rs 25,200

v. Besides Varsha enjoys the following perquisites –

a. Rent free unfurnished house at Chandrapur (Population 16 lakhs) House is owned by the employer.

b. Employer provides three watchmen – Salary Rs 1200 per month per person

c. Free use of Maruti Baleno car for official purposes. Car can be used for personalpurpose also(Log Book is not maintained by the employer) car is owned by the employer.

d. Free meal at the work place : RS 15,400 (i.e Rs 70 per day for 220 days)

She has income from other sources of Rs 1,25,000/-

During the previous year she has invested in Public Provident Fund Rs 1,00,000 and paid Rs 35,000 as Tuition fees of college of her son Zoro and also paid Rs 35,000 for private computer class tuition fees of her daughter Varsha.

Determine the Taxable Income of Varsha for A Y 2017-18

P.T.O.

Q2) Explain in brief the provisions relating to "Carry forward and set off of losses" under Income Tax Act 1961?

Q3) Narendra owns a residential house property. It has two equal residential units – Unit no 1 and Unit no 2

Unit No 1 is self-occupied by Narendra for his residential purpose. Unit No 2 is let out (Rent being Rs 6000 per month - Rent of two months could not be recovered)

Municipal Value of the Property is Rs 1,30,000, Standard Rent is Rs 1,25,000 and Fair Rent is Rs 1,40,000. Muncipal Taxes are imposed @12 % which is paid by Narendra.

Other Expenses for the previous year being Repairs Rs 25,000, Insurance Rs 6000.

Interest on Borrowed Capital (Borrowed during year 1997) for constructing the property is Rs 63,000/-

Find out income from House Property of Narendra for the Assessment Year 2017-18.

Q4) What are various types of Income Tax Returns? What are the due dates for filing of the Return? What are the provision regarding Belated Return and Revised Return?

Q5) Enumerate any 5 deductions eligible to assessee under section 80 (Chapter VIA) of the Income Tax Act, 1961?

Q6) What are the various provisions regarding payment of Advance tax by the assessee and provisions for interest for advance tax under section 234A, 234B AND 234C under the Income Tax Act 1961?

Q7) Enumerate transfers of capital assets exempt or not treated as transfer under capital gain?

Q8) Write short note any Two from the following

i) Deemed profit chargeable as business income

ii) Receipts without consideration

iii) Block of Assets and depreciation

iv) Penalties

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Total No. of Questions—8] [Total No. of Printed Pages—3

Seat No.	

[5139]-12

D.T.L. EXAMINATION, 2017

INCOME TAX ACT 1961

Paper II

(2006 PATTERN)

Time : Three Hours **Maximum Marks : 100**

N.B. :— (*i*) Question No. **1** is compulsory and carries **20** marks.

(*ii*) Answer any *five* of the remaining carrying **16** marks.

1. Mrs. Priya an employee of Ashwini Enterprises Pvt. Ltd. receives the following emoluments during the previous year ending March 31, 2016 :

(*a*) Salary Rs. 2,50,000 p.a.

(*b*) Bonus Rs. 35,000 p.a.

(*c*) Leave Encashment Rs. 21,500

(*d*) Entertainment Allowance Rs. 7,000 p.a.

Besides the aforesaid emoluments her employer provided :

(1) Free gas and water for domestic use (cost Rs. 6,000)

(2) A domestic servant (salary paid by the employer Rs. 19,500)

(3) Free meals in the office Rs. 12,600 (cost Rs. *i.e.* Rs. 60 per meal × 210 days)

P.T.O.

24

31

(4) Salary of personal attendant Rs. 14,000 engaged by her is paid by the employer.

She contributes Rs. 25,500 towards recognised Provident Fund. Further during the previous year she has purchased National Savings Certificates (N.S.C.) of Rs. 90,000.

Her income from other sources of Rs. 1,45,000 during the previous year :

Determine the taxable income of Mrs. Priya for the A.Y. 2016-17.

2. Enumerate any 15 items of income which are exempted from tax under Income Tax Act, 1961.

3. Explain the details the valuation and chargeability to tax of the following perquisites under the head "Income from Salaries".

(*a*) Valuation of perquisites in respect of rent free furnished accommodation

(*b*) Valuation of perquisites in respect of medical facilities

(*c*) Valuation of perquisites in respect of credit card.

4. Enumerate in detail the receipts without consideration treated as income under the head" Income From Other Sources"

15

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32

5. Give in detail the process of set off and carry forward of loss under Income Tax Act, 1961.

6. Mrs. Bharati had purchased a house property in August 2002 for Rs. 2,50,000 in Satara. She sold this property in September 2015 for Rs. 17,50,000.

In the month of December 2015 she purchased a new flat at Pune for Rs. 10,00,000 and in the same month she has invested Rs. 2,50,000 in capital gain bonds issued by Rural Electrification Corporation Ltd.

Compute the capital gain of Mrs. Bharati for the A.Y. 2016-17.

Cost inflation index for

FY 2002-2003–426

FY 2015-2016–1024

7. Explain the residential status of individual under income Tax, Act 1961. How income is charged to tax on the basis of residential status ?

8. Write short notes on any *three* from the following :

(*a*) Agriculture income

(*b*) Various types of income tax returns

(*c*) Advance payment of tax

(*d*) Penalties.

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APR 2016

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Total No. of Questions—8] [Total No. of Printed Pages—3

Seat No.	

[4943]-102

D.T.L. EXAMINATION, 2016

INCOME TAX ACT 1961

Paper II

Time : Three Hours **Maximum Marks : 100**

N.B. :— (*i*) Question No. **1** is compulsory and carries **20** marks.

(*ii*) Answer any *five* of the remaining carrying **16** marks each.

1. Saurabh receives the following incomes from Shantanu Infotec Pvt. Ltd. during the year ending on March 31, 2015 :

1	Salary—Rs. 52,500 per month for 12 months	Rs. 6,30,000
2	Leave Travel Concession for proceeding on Leave (Actual Expenditure on Rail Fare Rs. 10,100)	Rs. 13,800
3	Tiffin Allowance	Rs. 4,000
4	Reimbursement of medical expenses for treatment of Saurabh and his family members in a private clinic	Rs. 31,300
5	Besides Saurabh enjoys the following perquisites—	

(*a*) Rent free unfurnished house at Chandrapur (Population 16 lakhs) House is owned by the employer.

(*b*) Employer provides two watchmen—Salary Rs. 700 per month per person

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(c) Free use of Maruti Swift Dzire car for official purposes. Car can be used for personal purpose also (log book is not maintained by the employer) car is owned by the employer.

(d) Free meal at the work place : Rs. 14,700 (i.e., Rs. 70 per day for 210 days)

He has income from other sources of Rs. 1,25,000.

During the previous year he has invested in Public Provident Fund Rs. 1,00,000 and paid Rs. 25,000 as Tuition fees of his son Upendra and also paid Rs. 25,000 for private computer tuition fees of his daughter Niyati.

Determine the taxable income of Saurabh for A.Y. 2015-16.

2. Explain in brief the provisions relating to "Clubbing of Income" under Income Tax Act, 1961.

3. Mr. Avinash purchased Diamond Necklace set for his wife Manisha in September 1999 for Rs. 1,20,000.

In December 2014 he sold this diamond necklace set for Rs. 12,50,000.

In the month of January 2015, he has purchased a flat in Pune costing Rs. 7,50,000. and in the same month he has invested Rs. 1,00,000. in the Capital Gain Bonds issued by National Highways Authority of India Ltd.

Compute the capital gain for Mr. Avinash for the A.Y. 2015-16

Cost Inflation index	for F.Y. 1999-2000	—	389
	F.Y. 2014-2015	—	1024

4. What are the provisions for filing of Income Tax Returns ? What are the due dates for filing of the return ? What are the provisions regarding Belated return and Revised return ?

35

5. Enumerate any 12 items which are the payments or investments eligible for deduction under section 80C.

6. What are the various provisions regarding payment of Advance tax by the assessee and provisions for interest for advance tax under section 234 A, 234 B and 234 C under the Income Tax Act, 1961 ?

7. Enumerate any 15 items of Income which are exempted from tax under section 10 of the Income Tax Act 1961.

8. Write short notes on any *three* of the following :
   (*a*) House property income exempt from tax
   (*b*) Best Judgement Assessment
   (*c*) Penalties
   (*d*) Person.

(29) (36) (28) 17

Total No. of Questions : 8]

APR 2015

SEAT No. :

P1240

[Total No. of Pages : 3

[4743] - 102

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Income Tax Act 1961

(Paper - II) (2006 Pattern)

Time : 3 Hours] *[Max. Marks : 100*

Instructions to the candidates:

1) *Question No. 1 is compulsory and carries 20 marks.*
2) *Answer any five of the remaining carrying 16 marks each.*

Q1) Mrs. Naryani Working as 'Accountant' in Super India Ltd., Pune has given you the following details of her salary for the F.Y. 2013-14.

Basic Salary (Rs. 15,000 p.m.)	Rs. 1,80,000
D.A.	40% of Basic Salary
H.R.A.	10% of Basic Salary
C.C.A.	5% of Basic Salary
Educational allowance	2% of Basic Salary
Conveyance allowance	Rs. 12,000

Mrs. Narayani has got one son studying in Vth standard. She stays in a rented flat by paying monthly rent Rs. 3,000. She is provided with a car of 1200 cc for official and personal use. The entire expenditure of the car is borne by the employer. A chauffeur /driver is also provided with the car.

A medical expenditure of Rs. 15,500 is reimbursed by the employer. Mrs. Narayani has contributed Rs. 35,000 to the recognised provident fund. An equal amount is contributed by the employer also. Interest @15% has been credited to her recognised providend fund account amounting to Rs. 13,500.

You are required to compute income taxable under salary of Mrs. Narayani for the A.Y. 2014-15.

Q.37

Q2) The following is the profit and loss account for the year ended on 31st March 2014 furnished by Mr. Ashok.

Profit & Loss Account

Particulars	Amount Rs.	Particulars	Amount Rs.
To Salary	40,000	By Gross Profit	3,57,000
To Advertisement	15,000	By Interest on Fixed deposit	19,000
To Repairs	27,500	By Dividend	6,000
To Fire Insurance	4,500	By Bad Debts Recovered	15,000
To Depreciation	36,000	By Commission	25,000
To Rent and Taxes	13,000	By Sundry Receipts	3,000
To Wealth Taxes	9,000		
To Sales Tax	25,000		
To Legal charges	8,000		
To R.D.D.	5,000		
To Banking Cash Transaction tax	8,000		
To Printing and stationary	4,500		
To Interest on capital	7,500		
To Bad Debts	9,000		
To Net Profit	2,13,000		
	4,25,000		4,25,000

Other Information:

1) Salary includes Rs. 3,000 paid to a domestic servant.
2) Repairs include Rs. 3,500 as repairing to the residential house.
3) Allowable amount of depreciation as per income tax rule is Rs. 32,000.
4) Sales tax includes Rs. 3,900 as penalty and Rs. 2,000 as interest for late payment of sales tax charged by the Sales Tax Authority.
5) Bad debts recovered were written - off in the year 2013-14 and admitted by the Income-tax Department.

You are required to compute taxable income of Mr. Ashok from business for the assessment year 2014-15.

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Q3) What are the provisions regarding clubbing of Income under Income Tax Act? Discuss.

Q4) What is Capital Gain? Explain the deductions allowed from Capital Gain.

Q5) What do you understand by "Income from other sources"? State the main income which are included under this head.

Q6) Enumerate with reference to Section 10 of the Income Tax Act, 1961. Give five types of income which are exempt from tax.

Q7) Define perquisites. Illustrate with examples the method of valuation of rent free accommodation.

Q8) Write short notes on any three of the following:

a) Previous year.

b) Penalties.

c) Return of Income.

d) Best Judgement Assessment.

e) Types of assessment.