

Total No. of Questions : 6]

SEAT No. :

P4396

[Total No. of Pages : 5

[5619]-1011

M.Com. (Part - I) (Semester - I)

ADVANCED ACCOUNTING AND TAXATION

104 : Income Tax (Group - A)

(2019 Pattern) (Credit System) (Special Paper - II)

Time : 3 Hours]

[Max. Marks : 60

Instructions to the candidates:

- 1) Q.1 is compulsory Solve any Three questions from Q.2 to Q.6.
- 2) Questions 2 to 6 carry equal marks.
- 3) Read all the questions very carefully before attempting the same.
- 4) Use of calculator is allowed.

Q1) Explain the provisions of determination of residential status of an Individual and its impact on tax liability. [15]

OR

Write short notes (Any three)

- i) Person
- ii) Agricultural Income
- iii) Deductions u/s 54
- iv) Deductions u/s 80C
- v) House Rent Allowance

Q2) Mrs. Himangi Sartaje is employed in Global Private Ltd. at Mumbai and she furnished the following particulars of income for the financial year 2018-19.[15]

- i) Basic Salary Rs. 45,000 per month
- ii) Dearness allowance Rs. 18,000 per month (out of which Rs.6,000 per month is Considered for retirement benefits)
- iii) Bonus Rs. 80,000
- iv) Interest on Recognised Providend fund at 13% Rs. 1,17,000
- v) Employer's contribution to Recognised Providend fund is 15% of salary.
- vi) She is provided with furnished accommodation (a spacious bungalow) at Mumbai

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Owned by the employer. The fair rental value of bungalow is Rs. 30,000 per month.

Cost Of furniture is Rs. 1,00,000. Rent Paid for accommodation by Mrs. Hemangi is Rs. 9,000 per month.

- vii) The company has been provided with the facility of sweeper, watchman and servant, who are paid by the employer Rs. 3,000 p.m. Rs. 3,600 p.m. and Rs. 3,400 p.m. respectively. Maintenance charges including driver's salary are paid by the employer.
- viii) Hospital bill re-imbursed by the employer Rs. 40,000
- ix) She has been provided with a 1,800 c.c. car for both official and private purpose. The entire expenses of Rs. 50,000 on running and maintenance of car are borne by the employer.
- x) Gas, electricity and water supply bills paid by employer Rs. 36,000
- xi) Professional tax paid Rs. 2,500.

You are required to compute the taxable income from salary of Mrs. Hemangi for the Assessment year 2019-20.

**Q3)** Mr. Sanjay Gupta own three houses for his residential purposes. The following are the details of his three houses **[15]**

Particulars	House I	House II	House III
	Rs.	Rs.	Rs.
Municipal Valuation	1,64,000	1,00,000	1,40,000
Fair rent	1,50,000	1,20,000	1,30,000
Standard Rent under Rent Control Act	1,40,000	1,40,000	1,30,000
Municipal taxes paid	16,400	12,000	14,000
Repairs	16,000	12,000	-----

Ground rent is paid @10% of Net Annual Value in respect of each house. Interest paid on capital borrowed for renewal of house property I and house property III amounting to Rs. 76,000 and Rs. 64,000 respectively. The loan was taken on 1<sup>st</sup> June 2005.

You are required to determine the taxable income from house property of Mr. Sanjay Gupta for the A. Y.2019-20.

**Q4)** The following is the Profit & Loss account for the year ended on 31st March, 2019 furnished by Mr. Mangesh [15]

Profit & Loss Account for the year ended 31<sup>st</sup> March, 2019

Particulars	Rs.	Particulars	Rs.
To Salary	1,50,000	By Gross Profit	4,40,000
To General expenses	24,000	By Sundry receipts	16,000
To Advertisement	15,000	By Gift from Father	45,000
To Fire Insurance	6,000	By Interest on bank deposits	11,000
To Depreciation	31,000	By Bad debts recovered (not allowed as deduction earlier)	10,500
To Bonus	25,000		
To Income tax	17,000		
To Goods and Service tax	9,000		
To Interest on bank loan	11,000		
To Donation to Education Fund	20,000		
To Interest on Income tax	7,000		
To Net Profit	2,07,500		
	5,22,500		5,22,500

Additional Information

- i) Salary includes Rs. 8,000 paid to Mr. Mangesh
- ii) Advertisement includes Rs. 1,100 as expenditure incurred for selling household furniture.
- iii) Allowable depreciation as per Income tax rule is Rs. 28,000
- iv) Goods & Service tax includes Rs. 1,000 as penalty for not filing return in time.
- v) General expenses include Rs. 11,000 as the gift given to friend on his marriage ceremony.

You are required to compute taxable income from business of Mr. Mangesh for the Assessment year 2019-20

- Q5) Ravi Ltd. runs an industrial undertaking. It furnishes the following Profit & Loss Account for the previous year 2018-19 [15]

Profit & Loss Account for the year ended 31<sup>st</sup> March, 2019

Particulars	Rs.	Particulars	Rs.
To Business expenses	12,00,000	By Gross receipts	32,20,000
To Dividend Paid	2,00,000	By Long term Capital Gain	12,00,000
To Dividend tax Paid	20,000	By Rent from agricultural Land at London	3,80,000
To Provision for bills under discount	3,40,000		
To Income tax paid	2,40,000		
To Depreciation without Revaluation	4,00,000		
To provision for losses in respect of subsidiary Company	40,000		
To Excise Duty payable	1,60,000		
To Net Profit	22,00,000		
	4,800,000		4,800,000

Other Information:

- Depreciation as per income tax law Rs. 4,40,000
- Whole of Capital has been invested as per scheme of section 54EC
- Business Expenses not deductible under section 30 to 37 Rs. 2,40,000
- Brought forward losses and depreciation from A. Y. 2018-19

Particulars	Rs.As per Account	Rs. As per Income tax Law
Business Loss	(-) 10,00,000	(-) 9,01,000
Depreciation	(-) 2,40,000	(-) 4,80,000

- The company is entitled to claim deduction u/s 80 IB at 30%

Compute the total Income of Ravi Ltd. for the Assessment Year 2019-20

**Q6)** On April, 2018 Rambhau sold an urban agriculture land for Rs. 74,00,000 which had been used for agricultural purposes for several years. He acquired that land in 1999 for Rs. 2,50,000. The market value of such land as on 1<sup>st</sup> April, 2001 was Rs. 5,00,000. He purchased rural agricultural land for Rs. 10,00,000 on 25<sup>th</sup> June, 2018 which was sold for Rs. 15,00,000 on 18<sup>th</sup> January, 2019, A sum of Rs. 13,00,000 was also invested by him in purchase of residential property on 25<sup>th</sup> July, 2018. He did not own any house property before this date. The new house property was sold on 28<sup>th</sup> March, 2019 for Rs. 26,00,000. Compute Income from Capital Gain of Rambhau for the A.Y. 2019-20. The cost inflation index for F.Y. 2001-02- 100, 2017-18-272, 2018-19-280. [15]

