

CODE : MORONI

Time : 2 Hrs.

Marks : 60

- Instructions :-**
- 1) All questions are compulsory
 - 2) All questions carry equal marks
 - 3) Simple calculators are allowed
 - 4) Figures to the right indicate full marks.

Q.1 Compute the income of Mr. Lalu Prasad for the A.Y. 2007-2008 assuming 15 that he is R & OR, R But NOR & NR.

1. Profit on sale of Land in Nepal (1/3 received in India)	50,000
2. Profit on sale at Thane (1/2 received in New York)	25,000
3. Interest on company deposits in India	70,000
4. Income from business situated in London and controlled in India (40% is received in India & balance is received outside India)	50,000
5. Profit from a business in Delhi managed from India	25,000
6. Salary earned & received in U.K.	10,000
7. Past untaxed profit of the year 2000-2001 brought into India	1,00,000
8. Royalty received in India from a non-resident in respect of technology used by such persons outside India	75,000
9. Dividend from Indian Companies	50,000

OR

Q.1 Define and explain the following [3Mks Each] [Any 5] **15**

a) Company	b) Assessment year	c) Previous year
d) Income	e) Assessee	f) Person

Q.2 Mrs. Gargi is employed with M/s. Yogesh Sharma consultancy Pvt. Ltd. She provides you the following information for the A.Y. 2007-08. **15**

1. Net salary per month	23,000
2. Income tax deducted at source per annum	2,000
3. Profession tax deducted of source per annum	1,500
4. Provident fund contribution deduction from salary per month	600
5. L.I.C. premium per month deducted from salary	1,000
6. Club fees met by employer	6,000
7. Salary in lieu of leave	6,000
8. She was given Petrol Allowance for car given by office exclusively for office use	4,000

Compute on the basis of the above taxable income under the head "Income from salary."

OR

Q.2 a) Explain in detail profits in lieu of salary [u/s. 17 (3)] **15**
b) Deductions u/s. 16 from salary

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Q.3 Mr. Ambani owns 2 houses, one at Karjat & other at Colaba. He gave the following particulars for the year ended 31st March 2007 : **15**

A. Karjat House :

This house is let out for Rs.12 lac per year. He had borrowed from ICICI Bank for construction of this house. He made the following payments during the year :

- a) Municipal Taxes Rs. 32,400/- which were recovered from the tenant subsequently.
- b) Insurance premium Rs.13,000/-
- c) Ground Rs. 5,000/-
- d) Interest paid to ICICI Bank Rs.12000/-
- e) Land revenue Rs.3,000/-
- f) He paid collection charges of Rs. 2000/-
- g) Rent of 1 month could not be recovered and is to be treated as unrealised rent.

B) Colaba House : The house is occupied by himself. Rateable value of this house is ascertained Rs.24,000/-. He incurred the following expenses :

- a) Rs. 3,000/- on repairs.
- b) Municipal taxes paid Rs.6,500/-
- c) Interest paid to HDFC Rs.36,000/-

He borrowed funds from HDFC for the purpose of construction of this house, prior to 1st April 1999.

You are required to compute the taxable income of Mr. Ambani for A.Y. 2007-08.

OR

Q.3 a) Distinction between long term capital Gain & Short term Capital Gain. **15**
b) State the rules of depreciation
c) Distinction between Business v/s. profession.

Q.4 a) Sale or Purchase in the course of interstate trade or commerce. **15**
b) Sale in the course of import or export.

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