

Instructions:

1. All questions are compulsory
2. Figures to the right indicate full marks
3. Use of simple calculator is allowed.
4. All workings should form part of the answers.

Q1 A) State whether the following are true or false (any seven) (7)

1. Cost of improvement is indexed in case of short term capital asset.
2. Interest on educational loan is deductible u/s. 80 (E) up to an extent actually paid.
3. Gross annual value of SOP is always NIL
4. House property held by an assessee for more than three years is a long term capital asset.
5. Dividend on shares of foreign companies is taxable.
6. Foreign income is tax free for a Resident & ordinary resident (ROR).
7. Scope of total Income depends on Residential status
8. Unrealised rent of let out house property for previous year received in current year is income from other sources.
9. Equity shares of Indian companies are not capital asset.
10. Gratuity received by a government employee is fully taxable.

B) Match the following (any eight) (8)

A	B (sections)
1. Profession tax	a) 16(ii)
2. Interest on housing loan.	b) 10(10)
3. Interest on educational loan	c) 16(iii)
4. Exemption of HRA	d) 80 (c)
5. Income	e) 10 (10A)
6. Person	f) 10(13A)
7. Principal repayment of housing loan	g) 2(24)
8. Exemption of pension	h section 24
9. Exemption of gratuity	i) 2(31)
10. Entertainment allowance deduction	j) 80(E)

Q2. A) Shashank is the owner of 2 house properties, one in Nagpur and other in Thane. The details of both the houses for the year 2014-15 are as follows. Compute his income from house property for the p.y. year 2014-15 (10)

PARTICULARS	Pune (LOP)	Nasik(SOP)
Municipal Valuation	115000	1,12,000
Fair Rent	100000	1,07,000
Rent Receivable p.m.	14000	Nil
Vacancy Period	2 months	Nil
Unrealised Rent	1 months	Nil
Municipal Taxes Paid	12000	10000
Insurance Paid	11000	11000
Interest on housing loan Paid	33000	25000
Unrealised rent of 2011-12 received in current year	11500	Nil

B) Mayuresh sells his house property during the previous year 2014-15

1. Sale consideration on 14.08.2013 Rs.4300000.
2. Cost of acquisition in the year 2006-07 Rs.1000000.
3. Renovation of house during the year 2008-09 Rs.150000.
4. Brokerage paid at the time of sale is 2% of sale price.

Compute the capital gain for assessment year 2014-15.

[CII of 2014-15 is 1024 and 2006-07 is 519 and for 2008-09 is 582]

(5)

OR

Q2. C) Manish an Indian citizen, furnishes you the following information for the yr 2014-15. Calculate the total income of Manish if he is ROR/ RNOR/ NR. (10)

- | | |
|--|-------|
| 1. Interest on UK Development Bonds.
(1/3 received in India) | 45000 |
| 2. Profit on sale of machinery in Surat received in Mumbai. | 30000 |
| 3. Income from agriculture in Nepal | 35000 |
| 4. Income earned from business in Spain.
(Rs 10000 received in India) | 45000 |
| 5. Profit from business in Agra managed from outside India. | 40000 |
| 6. Interest on bank accounts in China. | 15000 |
| 7. Interest paid by an Indian company but received outside India. | 8000 |
| 8. Rent from property in China received outside India | 12000 |
| 9. Profit from sale of building in Kolkata but received in Sri Lanka | 25000 |
| 10. Pension from Indian employer in India received in China | 10000 |

D) Jayesh leaves India for the first time on 16th July 2014 & came back on 19st August 2014. He again left India on 23rd November 2014 and returned on 25th March 2015. What is his residential status for the previous year ending on 31st March 2015?

(5)

Q3. Brijesh provides you the following details of his income during the previous year 2014-15. You are required to compute his total income from the same for the said year.

1. Salary received from Globus Ltd. Rs. 900000.
2. Bonus received during the year Rs.50000.
3. Perquisite value of Holiday home facility at Dehradun Rs. 48000.
4. House rent allowance received during the year Rs.30000. (exempt Rs.20000).
5. Employer's contribution to RPF in excess of prescribed limit Rs. 2750
6. Interest credited to RPF in excess of prescribed limit Rs. 600.
7. Profession tax deducted from salary Rs.2500.
8. Interest on fixed deposit with BOB Rs. 18000.
9. Dividend on shares of foreign companies Rs. 22000.
10. Interest on saving bank A/c. Rs.8000.
11. Winnings from horse races Rs.50000.
12. Rent from vehicles let out Rs. 12000.
13. During the year he deposited Rs. 22000 in PPF A/c. and paid Life insurance premium of Rs. 15000. He also paid a mediclaim premium for himself and his wife Rs.14500 by cheque.

(15)

OR

- Q3. Akshay is trader in childrens toys He provides you the following information for the year 2014-15 You are required to compute his total income from the same for the said year.

Profit & Loss A/c. for the year 2014-15

Particulars	Rs.	Particulars	Rs.
To Salaries	80000	By gross profit b/d.	507000
To rent	65000	By dividend on shares of Indian companies.	2500
To insurance	19000	By dividend on shares of foreign companies	3000
To bad debts	1000	By winnings from lotteries	11000
To RDD	2000		
TO depreciation	46000		
To advertising	17000		
To printing & stationery	16500		
To life insurance	13500		
To Income tax	32000		
To travelling expenses	10000		
To telephone expenses	21500		
To Net profit c/d.	200000		
	523500		523500

Additional information:

- Salaries include an amount of Rs5000 paid by Akshay to his wife (considered to be unreasonable).
- Depreciation as per Income tax rules is Rs. 45000.
- Travelling expenses include personal travelling expenses of Akshay Rs. 4200.
- Rent of Rs. 4000 included in the above was paid for residence of Akshay.
- During the year Akshay paid a mediclaim premium for himself Rs. 16500
- He also deposited Rs 25000 in Public Provident Fund A/c. (15)

- Q4. A) Ashish is the employee of NM Ltd. He opted for voluntary retirement on 31st March 2015. He provides you the following information for the year ended 31st March 2015.

Basic Salary per month	Rs. 30000
Dearness Allowance per month	Rs. 10000
Bonus received	Rs. 15000.
Perquisite value of Free gas water and electricity	Rs. 30000
H.R.A. received per month (exempt Rs 4000 p.m.)	Rs. 6000
Employer's contribution to RPF @ 14% of salary	Rs 65000
Profession tax deducted from salary	Rs. 2500
Perquisite value of car	Rs. 40000
Gratuity received. (exempt Rs600000)	Rs.840000
Uncommuted pension p.m. from 1 st April 2014	Rs. 12000
Calculate the net taxable income from salary of Ashish for the A.Y. 2015 -16. (10)	

B) Sanjay provides you the details of incomes earned by him during the p.y. 20014-15. Compute his income from other sources for the same. (5)

- Dividend on shares of foreign companies Rs. 15000
- Dividend on shares of Indian companies Rs. 3500
- Winnings from horse races Rs. 4200
- Royalty received on books written by him Rs. 20000
- Dividend on units of UTI Rs. 6000
- Rent from let out house. Rs. 70000
- "The Best Employee of The Year" award received from his employer Rs. 10000
- Rent received from vehicles let out Rs. 13000

- Q4** C) From the following information of Satish regarding his details of transactions during the year compute his net taxable income from business for the financial year 2014-15.
1. The net profit as per P/L/ A.c. is Rs.180000
 2. The P/L/ a/c. is debited with a rent of Rs. 13550 which includes rent of Rs. 2000 for his own residence.
 3. Advertising expenses of Rs. 2500 were paid to a political party.
 4. The insurance of Rs. 13000 includes Rs. 4000 which was paid for life insurance of Satish himself.
 5. Travelling expenses of Rs. 4200 were spent by Satish for his personal travelling.
 6. Depreciation debited in P/L a/c. was Rs. 17000 whereas depreciation as per income tax rules allowable is Rs. 12500.
 7. Dividend of Rs. 11000 from Bajaj Ltd. And dividend of Rs.12500 from foreign companies was also credited to the P/L a/c.
 8. Salary included a sum of Rs. 5000 which was paid to his wife and considered unreasonable.
 9. Telephone charges of Rs. 6000 were left unrecorded in the books. (10)

D) Jay retired from service on 31st December 2014 after completing 22 years of job. Before retirement he was receiving a monthly salary of Rs. 24000. He is entitled to a monthly pension of Rs. 12000 from 1st December 2014. However he has opted for commutation of 60% of the same. He received Rs. 320000 as commuted pension. He also received Rs 850000 as gratuity at the time of retirement. Compute his taxable pension and gratuity u/s/10 for the year 2014-15 (5)

Q5. A) Explain the term Person and Assesee as per Income tax (8)

B) Explain the provisions of Insurance auxiliary service relating to general insurance business as per The Service Tax Act. (7)

OR

Q5. Write short notes on (Any three) (15)

1. Insurance Auxiliary service relating to life insurance
2. Practicing chartered accountant
3. Investment management service under ULIP
4. Taxable perquisites.
5. Deductions u/s 80(D) and u/s 80(DD)