

**Q.P. Code :22353****[Time: 2:30 Hours]****[ Marks:75]**

Please check whether you have got the right question paper.

- N.B:
1. All questions are compulsory.
  2. Figures to the right indicate full marks.
  3. Use of simple calculator is allowed.

**Q.1** a. State whether True or False from the following **(any 8)****08**

1. The first year of a newly set up business can be less than 12 months.
2. Agriculture income is taxable from tax.
3. Past untaxed profits brought into India is not taxable.
4. Deduction u/s 80E is applicable for Mediclaim.
5. Minor's income which is clubbed with that of his parent is exempted up to Rs.5,000.\
6. The quantum of maximum deduction allowed u/s 80 U is Rs.1,50,000.
7. Income which accrue or arise outside India & also received outside India is taxable in case of NRI.
8. Any gift received by an individual from his relative is fully exempt.
9. For computing lottery income, the assessee shall be entitled to any deduction for purchase of lottery tickets.
10. If the assessee does not satisfy the basic condition, he will be treated as a Resident of India.

b. Match the column **(any 7)****07**

Column A	Column B
1. 1,50,000	a) A.Y.
2. Medi claim	b) P.Y
3. Interest on higher education	c) 80C
4. 2017-18	d) 80D
5. Maximum Rs. 10,000	e) 80E
6. 2016-17	f) 80TTA
7. Company	g) Mr. A
8. HUF	h) Reliance Industries
9. Individual	i) ABC CA firm
10. Firm	j) Joint Family of Mr Ram, his wife and two daughters

**Q.2** Mrs Asha is an employee of Tata Industries Ltd. She furnishes the following information for the year ended 31<sup>st</sup> March, 2017. **15**

Particulars	Amount
Basic Salary	55,400 per month
Tax Deducted at Source:	5,000 per month
Professional Tax	2,500
Bonus received	96,000
Conveyance allowance received (Exempt u/s 10@ Rs.600 per month)	1,200 per month
Loan from employer for son's marriage	1,00,000

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House Rent Allowance (paid Rs.6,000 p.m)	7,500 per month
Dearness Allowance	2,500 per month
Education Allowance (exempt Rs.100 p.m)	300 per month
Commission received	20,000

Compute his Net Taxable Income from the head Salary for the Assessment Year 2017-18.

**OR**

a. Mr Sandeep has earned the following income during the p.y ended 31<sup>st</sup> March, 2017

**08**

Interest on bank account in London	Rs.33,000
Income received from agriculture land in Nepal	Rs.86,000
Dividend Income from Co operative Society from India	Rs.74,000
Salary earned and received in France	Rs.12,700
Dividend from a foreign company received in U.K	Rs.10,000

Compute his total income assuming: he is Resident and Ordinarily Resident and Non Resident.

b. Mr. X, who was born and brought up in India and a Indian Citizen, went for further studies to USA on 1<sup>st</sup> March, 2007 and came back to India on 15<sup>th</sup> December 2016 and since then he is in India. Determine his residential status for the A.Y. 17-18. Give explanation for your answer.

**07**

**Q.3** Mr. Akash is the owner of two houses:

**15**

Particulars	House 1	House 2
Municipal Value	4,20,000	3,50,000
Fair Rent	4,30,000	3,80,000
Municipal taxes paid	10,000	10,000
Interest on housing loan for house no.1 was outstanding	49,000	1,55,000
Rent received	Self occupied	3,60,000

**OR**

a. Mr A sold a residential building at Pune for Rs.35,15,000 on 1-10-2016. The building was purchased for Rs.1,65,000 on 1-6-1996 and improvement was done in March 2001 at Rs.1,50,000. He invested Rs.7,50,000 in purchase of a residential building in December 2016. Compute Taxable Gain for the assessment year 2017-18 if CII for 2016-17 is 1125, CII for 2000-2001 is 406 and CII for 1996-1997 is 305.

**08**

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- b. Mr Rahul, submit the following particulars of his income for the assessment year 17-18 **07**

Particulars	Amount
Dividend from Tata and Co	28,900
Gift from the friend on the occasion of Birthday	72,000
Interest from Bank Fixed Deposit	56,000
Agriculture Income	92,000
Interest from NSC	52,000
Income from agriculture in Pakistan	35,900

Compute his taxable income under the head income from other source.

- Q.4** Mr. Shah provides the following profit and loss account for the year ended 31<sup>st</sup> March, 2017. **15**  
Profit and loss account for the year ended 31<sup>st</sup> March, 2017.

Particulars	Rs.	Particulars	Rs.
To Salaries	2,60,000	By gross profit	14,34,000
To Electricity	68,000	By Income Tax refund	38,000
To printing	50,000	By gift from Father	35,000
To Entertainment	1,00,000		
To Advertisement	46,000		
To Motar car Expenses	60,000		
To Drawing	1,20,000		
To embezzlement by employee	14,000		
To staff welfare Expenses	1,40,000		
To Sales tax	30,000		
To Depreciation	70,000		
To Income tax	32,000		
To Net Profit	5,17,000		
	<b>15,07,000</b>		<b>15,07,000</b>

Additional Information:

1. Depreciation as per Income tax rules is Rs.54,000.
2. Staff welfare expenses include Rs.40,000 for his own medical premium.
3. Salary includes salary paid to his son Rs.15,000.
4. Printing includes Rs.5,000 paid for printing marriage for his daughter marriage.

**OR**

Mr. Amir provides you the trading and profit and loss account for the year ended 31<sup>st</sup> March.

Particulars	Rs.	Particulars	Rs.
To Opening stock	1,45,000	By Sales	50,00,000
To Purchase	35,24,600	By Closing Stock	1,50,000
To Salaries	3,14,000	By Gift from Father	35,000
To Electricity	68,000	By Interest from Fixed Deposit	25,000
To Rent	1,50,000		

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To sundry expenses	1,15,000		
To Advertisement	22,000		
To Repairs	60,700		
To Depreciation	4,20,000		
To LIC paid of Mr. Amir	14,000		
To staff welfare Expenses	25,600		
To Sales tax	11,00		
To Drawing	70,000		
To Income tax	1,40,000		
To Net Profit	1,40,000		
	52,10,000		52,10,000

Additional Information:

1. Depreciation as per Income tax rules is Rs.4,54,000.
2. Repairs expenses include Rs.11,000 for his own house.
3. Salary includes Rs.25,000 paid in cash.

**Q.5** 1. Explain deduction u/s 80TTA **08**  
 2. Agriculture Income **07**

**OR**

Write Short note (any 3)

1. Short term Capital Gain
2. Deduction from Income from Other sources
3. Basic Condition for Resident and not Ordinary Resident of India.
4. List out Income Exempt from Tax
5. Deduction from Business and Profession

**15**

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