

PRABODHAN EDUCATION SOCIETY'S
VIDYA PRABODHINI COLLEGE OF COMMERCE, EDUCATION,
COMPUTER AND MANAGEMENT, VIDYANAGAR, PARVARI, GOA.

S.Y.B.COM SEMESTER END EXAMINATION
APRIL 2018-19 REGULAR

SUB: INCOME TAX (DIRECT TAX) (C.B.C.S)

SEMESTER: IV

DURATION: 2 HRS

MAX. MARKS: 80

Instructions:

1. Question No. 1 is **compulsory**.
2. Answer **any 3** questions from the remaining questions.
3. Show important working notes as **fair work**.
4. Figures to the right indicate marks allotted.

Q.1. A. Mr. Nathan a foreign national, visited India for the first time during 2013-14 and stayed for 160 days. During the subsequent years 2014-15, 2015-16, 2016-17 and 2017-18 his stay in India was for 50 days, 110 days, 65 days and 82 days respectively. Determine his residential status for the A.Y. 2018-19. **5**

B. Mr. Mukul, provides details relating to his plant & Machinery account (one block of assets), for the year 2017-18.

1. W.D.V. of the block as on 01-04-2017, which is entitled to depreciation @ 25% is Rs. 3,50,000.
2. Purchase & installation of machinery on 12-05-2017 worth Rs. 70,000.
3. Purchase & installation of additional machinery on 25-12-2017 worth Rs. 1,50,000.
4. Sale of an old machinery on 20-03-2018 Rs. 50,000.

Calculate the amount of depreciation admissible for the block for the A.Y. 2018-19. **5**

C. Following is the income of Mr. Agastya for the previous year relevant to assessment year 2018-19.

- a) Income earned in India but received in Egypt Rs. 15,000.
- b) Income accrued in Nepal and received in Egypt Rs.30,000.
- c) Income from business in Nepal controlled from India Rs. 40,000.
- d) Interest from Indian companies received in Nepal and credited to bank account in Nepal Rs. 8,000.
- e) Interest credited in bank accounts in Nepal Rs. 5,000.

Find out gross income of Mr. Agastya, if he is:

- i) Resident but not ordinarily resident.
- ii) Non-Resident in India.

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D. Mr. Kashyap, a resident individual, paid medical insurance premium to the Aviva insurance company, on his own health Rs. 15,000, on the health of his spouse, Rs. 10,000, and on the health of his independent father(82 years of age) Rs. 36,000. The payments were made by crossed cheque during the P.Y. 2017-18.

Determine the amount of deduction u/s 80D for the A.Y.2018-19.

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Q.2. Mr. Atri (34 years), who is physically disabled to the extent of 50%, works as an Professor in a private college. From the following particulars of income provided for the previous year ended 31st March, 2018, you are required to compute taxable income and tax liability for A.Y. 2018-19.

Sr. No.	Particulars	Amount (Rs.)
1	Basic salary	8,50,000
2	Dearness allowance	2,00,000
3	Transport allowance (Exempt Rs. 19,200)	27,000
4	Re-imbursement of medical expenses	20,000
5	Allowance for examination work at college	12,000
6	Advance salary received	50,000
7	Profession tax paid	2,500

He paid medical insurance premium for his dependent son Rs. 30,000. (20 marks)

Q.3. Following is the P&L of Mr. Jamadagni (39 years) for the year ending 31st March, 2018:

Dr. Cr.

Particulars	Rs	Particulars	Rs
To General expenses	32,000	By Gross profit	20,00,000
To Bad debts	25,000	By Commission	10,000
To Advance tax	23,000		
To Salary to staff	86,000		
To Salary to Mr. Jamadagni	40,000		
To Interest on overdraft	14,000		
To Provision for doubtful debts	6,700		
To Stationary	8,800		
To Depreciation on machinery	50,000		
To Audit fees	5,900		
To Extension of building	1,20,000		
To Advertising	20,000		
To Donation	9,000		
To Net profit	15,69,600		
	20,10,000		20,10,000

Additional information:

- ❖ Salary to staff includes payment of Rs. 20,000 to a relative, which is reasonable only to the extent of Rs. 10,000/-
- ❖ Depreciation on machinery allowable as per income tax rules amounted to Rs. 53,000/-
- ❖ Donation paid towards Prime Ministers relief fund.
- ❖ He paid LIC premium of Rs. 60,000/- for self and Rs.55,000/- for wife. He also paid Rs.30,000/- LIC premium towards his father.
- ❖ He paid medical insurance premium to general insurance company for his father (63 years) Rs. 38,000.
- ❖ Mr. Jamadagni paid interest of Rs.35,000 on a loan borrowed from HDFC bank for his daughter's higher education.

Compute his taxable income and tax liability for the A.Y. 2018-19. (20 marks)

Q.4. Answer **any four** out of the following in relation to the Income Tax Act: (20 marks)

1. Define gross total income u/s 80 B(5).
2. Who is a resident as per Income Tax act?
3. What is the meaning of salary in Income Tax?
4. What is the BLOCK OF ASSETS as per section 2(11)?
5. What is 80ccc contribution to pension fund?

Q.5. Answer **any four** out of the following in relation to the Income Tax Act: (20 marks)

1. Definition of company u/s 2(17).
2. Define perquisites under Income Tax Act.
3. Permissible deduction u/s 16(ii) on Entertainment Allowance.
4. Conditions for deductions in case of Partnership Firm u/s 40 (b).
5. Donations Eligible for 100% Deduction without Qualifying Limit.

Q.6. Answer **any four** out of the following in relation to the Income Tax Act: (20 marks)

1. Definition of Person u/s 2(31).
2. Permissible deduction on Professional tax or tax on employment u/s 16(iii).
3. Amount not deductible in respect of payment to relatives u/s 40A(2):
4. Section 80U under income Tax Act.
5. Explain the condition to be satisfied to claim deduction u/s 80E.