



B.Com. (Semester – VI) Examination, April/May 2019
ACCOUNTING MAJOR 2 : INCOME TAX AND GOODS AND SERVICE TAX
(Paper – II)

Duration : 2 Hours

Max. Marks : 80

- Instructions :** i) Question No. 1 is compulsory.
ii) Answer **any 3** questions from the remaining questions.
iii) Show important working notes as fair work.
iv) Figures to the **right** indicate marks allotted.

1. A) Mrs. Marian, a resident in India, is a salaried employee whose Gross Total Income during the Financial Year 2017-18 is Rs. 8,40,000.

She makes the following contributions/Investments by cheque during the year :

- a) Insurance Premium on own life (Sum assured Rs. 2,00,000; Policy taken on 1st April, 2015) Rs. 23,000
- b) Repayment of principal amount of Housing Loan to Central Bank of India Rs. 45,000
- c) Tuition fees paid for her two children pursuing B.Com. degree Rs. 10,000
- d) Contribution to a Public Provident Fund (PPF) Account in her minor daughter's name Rs. 55,000
- e) Own contribution to Recognised Provident Fund Rs. 24,000
- f) Subscription to notified bonds of National Bank for Agriculture and Rural Development (NABARD) Rs. 20,000

Compute the amount of eligible deduction u/s 80 C for the Assessment Year 2018-19.

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B) Mr. Jones, a resident in India, provides the following details of his house property for the Previous Year 2017-18.

	Rs.
Purchase of house property on May 15, 2015 (exclusive of commission paid at the time of purchase Rs. 50,000)	49,50,000
Cost of improvement in August 2016	3,00,000
Sale of house property on February 18, 2018	63,00,000
Legal expenses on transfer	1,75,000
(Cost Inflation Indices : 2015-16 : 254, 2016-17 : 264 2017-18:272)	

Compute the amount of Capital Gain for the Assessment Year 2018-19.

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C) Ms. Liza, a resident in India, has received the following gifts during the Previous Year 2017-18.

- A work of art from a notified public charitable institution (Market Value Rs. 1,75,000)
- A commercial property from the elder brother of her mother-in-law. (The stamp duty of which is Rs. 10,00,000)
- Gold Bangles on her marriage anniversary from her husband (Fair Market Value is Rs. 3,00,000)
- Diamond Earrings from her childhood friend (Fair Market Value Rs. 1,00,000)

Compute the amount of gifts chargeable to tax for the Assessment Year 2018-2019. 5

D) Mr. Kunal, a registered dealer from Ponda, Goa. On August 11, 2018 Product 'Z' from Movenda Traders, Ponda for Rs. 2,10,000.

On August 24, 2018, he sells the Product 'Z' for Rs. 2,37,000 to Mr. Arbaaz of Mapusa, Goa

The rate of GST is 18% and the purchase and supply value is excluding GST.

Compute the Net Tax liability of Mr. Kunal for the month of August 2018. 5

2. 'Mr. Mukesh', a resident individual from Saligao, Goa, 51 years of age, suffering from a permanent disability of 50%, is the owner of 3 house properties : House Asro and House Maanika are let out to two different tenants for residence and House Ashirwad is occupied by Mukesh for his own residence.

The details of the properties for the Previous Year 2017-18 are as follows :

Particulars	'Asro'	'Maanika'	'Ashirwad'
	Rs.	Rs.	Rs.
Municipal Value	3,60,000	5,00,000	4,00,000
Fair rent	3,90,000	4,80,000	3,60,000
Standard rent	4,00,000	4,50,000	N.A.
Annual rent	6,00,000	4,20,000	—
Unrealized rent (of current year, conditions of Rule 4 are satisfied)	50,000	35,000	—
Vacancy period (no. of months)	1	2	—
Insurance Premium	14,000	15,000	12,000
Municipal Tax Paid :			
By Owner	—	8,000	4,000
By Tenant	6,000	—	—
Interest on capital borrowed for construction (Due but not paid)	2,25,000	89,400	—
Interest on capital borrowed for repairs on June 15, 2014	—	—	48,000

During the Financial Year 2017-18 he made the following payments/contributions :

- i) Contributions by cheque to :
 - Clean Ganga Fund Rs. 10,000
 - National Foundation for Communal Harmony Rs. 12,000
 - Jawaharlal Nehru Memorial Fund Rs. 8,000
 - Blankets to an orphanage worth Rs. 20,000
 - ii) Mediclaim Insurance premium paid by cheque on the health of his dependent father (a senior citizen) Rs. 20,000.
 - iii) Cash expenditure on preventive health checkup of his spouse Rs. 8,000.
 - iv) Repayment of principal amount of housing loan Rs. 45,000
- His computed business income is Rs. 4,15,000 and computed income from salaries is Rs. 3,40,000. Advance Tax paid during the year (including TDS on salary) was Rs. 60,000.

Compute his Taxable Income and Tax Payable for the Assessment Year 2018-19. 20

3. 'Ms Rohini', 63 years of age, and ordinarily resident in India, provides the following information, relating to her income during the Previous Year 2017-2018.

	Rs.
a) Amount received on maturity of Keyman's Insurance Policy (Including accumulated bonus Rs. 25,000)	1,00,000
b) Income from articles published in a Finance Journal	7,000
Expenses paid towards typing and printing	800
c) Income Tax Refund (including interest of Rs. 5,750)	17,000
d) Income from undisclosed sources	40,000
e) Interest on Post Office Savings Bank Account (Single A/C in her own name)	4,000
f) Interest on Savings Bank Account in Dena Bank	8,000
g) Interest from the Government on enhanced compensation for acquisition of her land	1,00,000
h) Interest received on Deposits with Asha Ltd. (Net of TDS of Rs. 3,500)	16,500
i) Interest credited to Unrecognised Provident Fund	30,000
j) Income from agricultural property in Sri Lanka	14,000
k) Dividend from Metro Ltd. an Indian Company (Dividend Distribution Tax is paid by the company)	15,550
Bank collection charges	550



- l) She owns a special copier machine which is given on hire to a publishing firm. She received hire charges of Rs. 48,000. Maintenance charges incurred Rs. 8,200 and depreciation allowable as per income tax rules is ascertained as Rs. 5,400. Her computed income from a part time job under 'Salaries' is Rs. 1,20,000 and computed income from 'Profession' is Rs. 6,22,650.

She made the following payments/contributions by cheque during the year.

	Rs.
a) Medical treatment of dependent sister being a person with 50% disability	14,250
b) Interest on loan taken from a nationalized bank for education of her son pursuing MBBS	45,000
c) She contributed towards Zila Sakshrata Samiti	20,000
d) Self-Assessment Tax paid during the Previous Year 2017-18 (including TDS from salaries)	75,000

Compute her taxable income and tax payable for assessment year 2018-2019. **20**

4. Answer in short **any four** of the following : **20**

- Reasonable Expected Rent u/s 23(1) (a) of the Income Tax Act, 1961.
- Deduction under Section 80 TTA of Income Tax Act, 1961
- Due dates and installments of Advance Income Tax payable by any assessee.
- Summary Assessment without calling the assessee under Section 143(1) of Income Tax Act, 1961.
- E-Way Bill under Goods and Service Tax.

5. Answer in short **any four** of the following : **20**

- Deduction for interest on borrowed capital in case of Self Occupied Property.
- Deduction under Section 80E of the Income Tax Act, 1961.
- Payment of Advance Income Tax by assessee on his own account.
- Best Judgement Assessment under Section 144 of Income Tax, 1961.
- Scrutiny of Return under Goods and Service Tax.

6. A) Answer the following in relation to a Capital Asset under Income Tax Act, 1961.

- Full Value of Consideration. **5**
- Indexed Cost of Acquisition and Indexed Cost of Improvement. **5**

B) i) Assessment of unregistered person under Goods and Service Tax. **5**

- Composition scheme under Goods and Service Tax. **5**