

Prabodhan Education Society's
Vidya Prabodhini College of Commerce, Edu., Comp. and Mgmt., Parvari Goa
TYBCOM SEMESTER END ASSESSMENT, JUNE 2022 (REPEAT)

SUBJECT: DSE 01: INCOME TAX AND GST

Semester: V

Duration: 2 Hours

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. Iron Man, aged 50 years paid medical insurance premium of ₹ 25,000 during the previous year 2020-21 to insure his health as well as health of his spouse. He also paid medical insurance premium of ₹ 49,000 during the year to insure the health of his father aged 72 years, who is not dependent on him. He contributed ₹ 3,600 towards health insurance premium of his daughter who is dependent on him and ₹ 2,000 for his son who is not dependent on him during the year. He has incurred ₹ 3,000 in cash on preventive check-up of himself and his spouse and ₹ 4,000 for his father's preventive health check-up. Compute the deduction allowable under section 80 D for the Assessment Year 2021-22. **(5 Marks)**

B. Mr. Captain America purchased a house property on July 17, 2003 for ₹ 1,10,000. He incurred the following expenses:

Renewals/reconstruction in 2018-19	- ₹ 2,10,000
Expenses on sale	- ₹ 50,000
The property is transferred on 6th April, 2019 for	- ₹ 99,00,000

He made the following Investment.

On 31st March, 2019 X purchased a residential house property in Pune for ₹ 16,60,000

(Cost Inflation Index: 2020-21: 301, 2018-19: 280, 2002-03: 105, 2003-04: 109)

Compute his income from capital gains for the Assessment Year 2021-22. **(5 Marks)**

C. Mr. Hulk an Indian resident received following gifts: **(5 Marks)**

- i. On August 18, 2020 he gets a gift of ₹ 15,000 from D, who is elder brother of his grandfather.
- ii. He gets a gift of ₹ 75,000 from his grandmother.
- iii. A moveable property from his wife's old friend ₹ 44,000
- iv. He purchased a property whose stamp duty value ₹10,00,000 for ₹ 65,000 from Mr. Raj.

Compute the amount of gifts chargeable to tax for the Assessment Year 2021-22.

D. Ms. Natasha Romanova a registered manufacturer in the state of Goa provides the following particulars for the period of December, 2021. **(5 Marks)**

- a. Inputs purchased within the state ₹ 1,10,000 (including GST @ 5%)
- b. Other Expenses ₹ 15,000 and Profit ₹ 15,000
- c. Goods produced were sold in Gujarat with IGST @ 18% on sales

Calculate the amount of tax payable after utilizing Input Tax Credit.

Q.2. Ms. Pepper Pots is an Indian resident suffering from 90% disability. She gives you the following details of the house properties owned by her. **(20 Marks)**

Particulars	Vishwa (₹)	Roshni (₹)
Nature of Occupation	LOP	SOP
Municipal Valuation	4,00,000	2,50,000
Fair Rent	25,000 p.m	15,000 p.m
Standard Rent	20,000 pm	-----
Actual Rent	22,000 p.m	-----
Loss due to Vacancy	1 month	-----
Municipal tax paid by the tenant	1,500	-----
Interest of Borrowed Capital	1,00,000	1,80,000
Pre-construction period interest (aggregate)	60,000	20,000
Date of loan taken	1/4/2014	1/4/2016
Date of start of construction	1/7/2014	1/6/2016
Date on which construction finished	1/9/2016	31/3/2019

- i. For "Vishwa", 2 instalments were claimed, and for "Roshni", 1 instalment was claimed for deduction.
- ii. Computed Income from Salaries - ₹ 5,50,000 and Income from Other Sources - ₹3,00,000
- iii. Payments made during the year:
 - a. Contribution to Recognised Provident Fund - ₹ 80,000
 - b. Donation to National Children's fund - ₹ 5,000
 - c. Donation of ₹12,000 towards Prime Minister's drought relief fund
 - d. Donated clothes to an orphanage worth ₹ 5,000
 - e. Donated ₹ 3,000 in cash to an educational institution.

Compute her Total Taxable Income for the Assessment Year 2021-22.

Q.3. Mr. Thor, 44 years of age, furnishes the following details of his income earned during the Previous Year 2020-21. (20 Marks)

	₹
Income from Salary	8,00,000
Income from Part time job	5,00,000
Rent from letting of building and machinery under one composite lease.	40,000
Rent paid to Landlord on sub-let house	10,000
Interest on term deposits in Bank of India (Net, after TDS of ₹4,000)	30,000
Interest received on 10% debentures of Hindustan Unilever Ltd. a domestic company (Gross)	25,000
Interest paid on capital borrowed for investment in debentures of Hindustan Unilever Ltd.	12,000
Royalty received on a book published with scientific importance	47,000
Cash gifts received from friends on his birthday	45,000
Interest on Post Office Savings Bank a/c	7,000
Interest on Savings Bank Accounts in different banks	4,500
Proceeds of Maturity of Keyman Insurance Policy (including bonus of ₹ 25,000)	1,05,000
Family Pension received from State Government	60,000
Winnings from Horse races (Spent ₹ 500 on buying the ticket)	1,00,000
Advance Tax paid	2,40,000

The other information is as below:

- a) He deposited ₹ 1,00,000 in his PPF
- b) He spends ₹ 25,000 towards the treatment of his brother who is dependent on him (suffering from 80% disability)
- c) He made the following donations:
 - a. The National Fund for Control of Drug Abuse - ₹ 4,500
 - b. Indira Gandhi Memorial Trust - ₹ 10,000

Compute his Taxable Income and Tax Liability for the Assessment Year 2021-22.

2. Answer in short, **any four** of the following: **(5X4=20 Marks)**

- a. Deduction u/s 24(b) in case of a let-out property
- b. Deduction u/s 80E of the Income Tax Act, 1961
- c. Due dates for and instalments of advance payment of income tax
- d. Any five benefits of GST
- e. Impermissible inter-head set off of losses.

3. Answer in short, **any four** of the following: **(5X4=20 Marks)**

- a. Exemption u/s 54(F) of the Income Tax Act, 1961
- b. Due dates for submission of return of income
- c. Deduction u/s 80 DD of the Income Tax Act, 1961
- d. Definition of Supply under CGST Act, 2017
- e. Clubbing of Income of a minor child u/s 64(1A) of the Income Tax Act, 1961.

4. Answer in short **any four** of the following: **(5X4=20 Marks)**

- a. Capital Asset u/s 2(14) of the Income Tax Act, 1961
- b. Deduction u/s 80 QQB of the Income Tax Act, 1961
- c. Provisional Assessment u/s 60 of CGST Act, 2017
- d. Cases when e-way bill is not required
- e. Impermissible inter-source set off of losses u/s 70.

***** ALL THE BEST*****