

(3 Hours)

(Total Marks : 100)

- N.B. :** (1) All questions are compulsory.
 (2) Figures to the right indicate maximum marks.
 (5) Working should form part of the main answer.

1. (A) Choose the correct option and rewrite the statements (Any Ten) : (10)

- (1) Assessment year can be _____.
- More than 12 months
 - 12 months
 - Less than 12 months
- (2) Platinum metal's necklace is _____ asset.
- Current
 - Fixed
 - Capital
- (3) The legal status of Ms. Mona Meshram, Indian cricketer is _____.
- an individual
 - a body of individuals
 - a sportsman
- (4) Every assessee is a person and _____.
- Every person is also an assessee
 - Every person need not be an assessee
 - An individual is always an assessee
- (5) The term income includes _____ incomes.
- legal
 - illegal
 - both of the above
- (6) Commuted pension received by government employee is _____.
- Taxable
 - Exempt
 - Partly taxable
- (7) Fair Market Value on 01-04-2001 is applicable to assets _____.
- Acquired prior to 01-04-2001
 - Acquired after 01-04-2001
 - Sold prior to 01-04-2001
- (8) Deduction under Section 80CCC in respect of contribution to pension fund is allowed to _____.
- an individual
 - all assessees
 - Individual and HUF

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- (9) _____ tax is allowed while computing the business income.
- Goods and Service Tax (GST) Paid
 - Income Tax
 - Both the above
- (10) Share of income received by a member of HUF is _____.
- Fully exempt
 - Fully taxable
 - Partly Taxable
- (11) Deduction on account of entertainment allowance is allowed to _____.
- Non-government employees
 - Government employees
 - Both the above
- (12) The payment for medical Insurance premium under Section 80D should be _____.
- in cash
 - in cash or cheque
 - by any mode other than cash

(B) Re-write following full sentence and state whether it is True or False (10)
(Any Ten).

- (1) Ex-gratia received from employer is not taxable.
- (2) Wages and salaries are taxable under the head Income from Salaries.
- (3) A person by whom any tax is payable under the Income Tax Act is known as an assessee.
- (4) Amount received from winning of lottery is an income.
- (5) When a property is used by the owner himself for the purpose of business, annual value of such property is taxable as income from house property.
- (6) Transfer expenses are deducted from sale consideration.
- (7) There are total four heads of Income.
- (8) Gift received from father is taxable.
- (9) Status of Indian citizen is always resident.
- (10) Section 80U is applicable to all individuals.
- (11) Royalty is taxable under the head income from other sources.
- (12) Previous year is always of 12 months.

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2. Mr. Rajat was a government employee who retired on 31st December, 2017 after a service of 30 years. He has provided the following particulars of his income for the previous year ended on 31st March, 2018. (15)

- (1) Basic Salary ₹ 50,000 per month.
- (2) Dearness Allowance @40% of basic salary.
- (3) He was provided with the accommodation by his employer, the perquisite value of which was ₹ 48,000.
- (4) Reimbursement of medical expenses by employer ₹ 22,800
- (5) On retirement, he received ₹ 1,20,000 towards encashment of leave salary and ₹ 6,00,000 as gratuity.
- (6) Profession tax deducted from salary @ ₹ 200 per month.
- (7) He started receiving pension of ₹ 15,000 per month after retirement.
- (8) He participated in a game show on television channel where he received a prize of ₹ 25,000.
- (9) Interest received on PPF Account ₹ 22,000.
- (10) Interest received on L & T Bonds ₹ 18,000.
- (11) Interest received on loan to a friend ₹ 12,000.

During the year, he deposited ₹ 75,000 in his PPF Account. He had taken a loan of ₹ 8,00,000 from Bank of Maharashtra for higher education of his daughter.

He paid ₹ 55,000 during the year towards interest on above loan.

Compute his taxable income for the Assessment Year 2018-19.

OR

2. Mr. Suhas, a private sector employee, gives you the following information for the previous year ended on 31st March, 2018 : (15)

No.	Particulars	₹
(1)	Basic Salary	35,000 per month
(2)	Dearness Allowance	60 % of basic salary
(3)	City Compensatory Allowance	4,000 per month
(4)	Travelling Allowance (Actually spent ₹ 24,000)	30,000
(5)	Perquisite value of motor car provided by employer	18,400
(6)	Advance against salary	80,000
(7)	Profession tax deducted	200 per month
(8)	Interest received on Saving Bank Account with Bank of Baroda	8,400
(9)	Interest received on Post Office Recurring Deposit Account	3,000
(10)	Dividend received on shares of Saraswat Co-operative Bank	15,000
(11)	Interest received on Company Deposits	21,000

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During the year, he spent ₹55,000 on maintenance of his physically handicapped son (disability 90%) who is fully dependent on him.

He also spent ₹10,000 for purchase of books required for his employment.

Compute his taxable income for the Assessment Year 2018-19.

3. Ms. Trirashmi (who is handicapped with 60% disability) proprietor of Sopara & Co. Nasik provides you the following information for the year ended 31st March, 2018 :

Profit and Loss A/c for the year ended 31st March, 2018

Particulars	₹	Particulars	₹
To Salaries	95,000	By Gross Profit	3,70,000
To Interest on loan	25,000	By Dividend from foreign company	1,00,000
To Charity and donation	11,000	By Gift from father	52,000
To Embezzlement by employee	40,000	By Interest on PPF	27,000
To Drawings	32,000	By Winning from Horse Races	36,000
To GST penalty	15,000		
To Discount	17,000		
To Medical Expenses	22,000		
To Depreciation	60,000		
To Net Profit	2,68,000		
Total	5,85,000	Total	5,85,000

Additional Information :

Medical expenses includes ₹20,000 towards health insurance premium by cheque of Ms. Trirashmi and ₹2,000 belonging to medical health check-up, which was paid in cash.

You are required to compute her net taxable income for the Assessment Year 2018-19.

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3. Mr. Ravi gives the following information for the year ended 31st March, 2018. (15)

Profit & Loss A/c for the year ended 31st March, 2018

Particulars	₹	Particulars	₹
To Staff Salaries	1,30,000	By Gross Profit	5,00,000
To Office Expenses	75,000	By Winning from Horse Races	50,000
To Rent of Office	50,000	By Old Bad Debts Recovered	19,000
To Fire Insurance Premium	13,500	By Dividend from co-operative bank	10,000
To Income Tax	7,500	By Interest on Saving Bank Account	20,000
To Bad Debts	10,000		
To Conveyance	35,000		
To Contribution to P.P.F	25,000		
To Depreciation	35,000		
To Net Profit	2,18,000		
Total	5,99,000	Total	5,99,000

Additional Information :

- (1) Office Expenses includes ₹10,000 for gift to staff.
- (2) Depreciation allowable as per Income Tax Rules ₹30,000.
- (3) Old Bad Debts in respect of which recovery is made were not allowed as deduction in the past, though they were written off in books.

You are required to compute his taxable income for the Assessment Year 2018-19.

4. Mr. Shekhar has earned the following income during the previous year ended (15) on 31st March, 2018.

No.	Particulars	₹
1.	Rent from property in Singapore	2,00,000
2.	Interest on Bank Accounts in India	1,80,000
3.	Income from business in Bangladesh controlled from India	1,60,000
4.	Fees received in U.K. for services rendered in India	1,40,000
5.	Income from agriculture in Japan	1,20,000
6.	Income from business in India controlled from Dubai	1,00,000
7.	Commission from Indian company received in Japan	80,000
8.	Past untaxed profits earned in Germany, brought to India during the previous year	1,50,000

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Compute his Gross Total Income for the Assessment year 2018-19 assuming that he is :

- (1) Resident and Ordinarily Resident
- (2) Resident but Not Ordinarily Resident
- (3) Non Resident.

OR

4. Mr. Aakash an Indian citizen went outside India at various times for visits. The details of departure from and arrival to India are as follows. (15)

Name of Country	Date of Departure from India	Date of Arrival in India
Indonesia (for first time)	01.04.2015	11.03.2017
U. S. A.	20.04.2017	01.05.2017
Australia	07.05.2017	12.07.2017
China	01.09.2017	15.09.2017
U. K.	05.01.2018	20.03.2018

Determine his residential status for the Assessment Year 2018-19.

5. Mr. Nagesh gives the following information for the previous year 2017-18 : (15)

Sr. No.	Particulars	House 'I' Self-occupied (₹)	House 'II' Let out (₹)
1.	Fair Rent (per month)	30,000	40,000
2.	Municipal Valuation (per month)	35,000	45,000
3.	Rent Received (per month) (House II vacant for 3 months)	---	50,000
4.	Municipal Tax :- - Paid by owner	25,000	50,000
5.	Interest on Housing Loan taken on 01.04.2008	2,10,000	40,000
	Other Information : Rent from subletting Dividend from Vijaya Bank Ltd. Interest on fixed deposit with Bank Interest accrued on NSC		1,60,000 60,000 1,00,000 1,20,000

He also paid interest ₹ 60,000 on Higher Education loan taken from Bank of Baroda for his son.

You are required to calculate his taxable Income for the Assessment Year 2018-19.

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