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T.Y.B.Com Courses (CBCS) Ordinance (Semester-V)
EXAMINATION OCTOBER 2019
Accounting Major 1 : Income Tax & Goods and Service Tax

[Duration : Two Hours]

[Max. Marks: 80]

Instructions:

- i. Question No.1 is compulsory.
- ii. Answer **any three** questions from Q.No.2 to Q.No.6.
- iii. Figures to the **right** indicate **marks** allotted.
- iv. Show important **working notes** as **fair** work.

- Q.1**
- A.** Mr. 'Mohan' , a resident in India, and 65 years of age provides the following particulars for the previous year 2018 – 19.
- i. Gross Total Income Rs. 5, 00,000.
 - ii. Deductions under Chapter VI- A- Rs 1,50,000.
- Calculate total tax payable for the Assessment Year 2019 -20. 5
- B.** Mr. 'Rajiv' is a resident in India. He makes the following donations during the year ended 31.3. 2019.
- i. Donated Rs 5,000 by cheque towards National Fund for Control of Drug Abuse.
 - ii. Donated Rs 2,500 in cash towards Clean Ganga Fund.
 - iii. Donated Rs 25,000 by electronic fund transfer to an Approved Charitable Trust.
 - iv. Books worth Rs 10,000 were sent to an orphanage set up for boys.
 - v. Rs 10,000 paid by his debit card to a notified temple for renovation.
 - vi. Cheque payment of Rs 7000 to Rajiv Gandhi Foundation.
 - vii. Donated Rs 5,000 to the Government of Goa for family planning purposes by cheque. His Gross Total Income for the year is Rs 3, 50,000 and he is eligible to a deduction of Rs 50,000 under Chapter VI- A Income Tax Act 1961 (excluding deduction u/s 80 – G). Calculate the amount deductible u/s 80 – G of the amount deductible u/s 80- G of the Income Tax Act, 1961 for Assessment Year 2019 – 20. 5
- C.** Mr. Sean Almeida, a resident individual, aged 38 years of age has paid the following from his Gross Total Income of Rs. 5, 50,000 during the previous year 2018 – 19.
- a. Medical Insurance Premium paid by cheque on the health of his family (himself, his wife and two minor sons) Rs 14,000 p.a.
 - b. Preventive health checks up on the health of his spouse in cash – Rs 4,500.
 - c. Medical Insurance Premium on the health of his dependent mother (61 years of age) – Rs 30, 000 and on the health of his grandfather – Rs 3,000. Both the payments are made by his debit card. 5
- Compute the amount deductible u/s 80 – D for the Assessment Year 2019- 20.

D. Mr. Mehta, a registered dealer from Margao, Goa is engaged in the sale of a Product 'X' in the state. The following details relate to the month August 2019. He has purchased inputs for the product from a local dealer at Rs 5, 00,000 (excluding GST @ 12%). He makes a value addition of 30% after which he sells the product 'X' in different cities in Goa.

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Calculate amount of tax payable assuming that no opening balance of Input Tax Credit is available.

Q.2 Mr. Aditya Kulkarni, a resident, individual, 50 years of age is a physically handicapped person (disability of 60%). He gives you the following details of house properties owned by him for the previous year ended 31.3.2019.

Particular	House I	House II
Fair Rental Value	4,50,000	6,90,000
Municipal Value	4,55,000	7,10,000
Annual Rent	7,80,000	--
Municipal taxes paid	25,000	70,000
Standard Rent	4,23,000	12,00,000
Land Revenue	37,000	80,000
Repairs	6,000	74,000
Fire insurance premium	4,000	18,000
Unrealized rent of 2017 – 18	26,000	--
Unrealized rent of 2018 – 19	17,000	--
Interest on Capital Borrowed	12,000	2,90,500
Loss on account of vacancy	1,30,000	--
Date on which capital was borrowed for construction	2012	2015
Nature of Occupation	Let out for Business	Self-Occupied for Residence

Additional Information:

1. Computed amount of Income from Salaries is Rs 7, 50,000 and from a part time business is Rs 2, 50,000.
2. Payments made in the year towards the following:
 - a. Paid Rs 25,000 p.a. towards pension fund of LIC of India.
 - b. Life Insurance Premium on the life of his spouse and son (married and independent) amounting to Rs 1,200 p.m. (sum Assured Rs 1,00,000 and policy is issued on 1.4.2011).
 - c. Contribution to Statutory Provident Fund Rs 5,000 p.m.
 - d. Contribution to ULIP of Unit Trust of India Rs 40,000.
 - e. Tuition fees of his daughter studying in SY BCom in a college in Mumbai Rs 15,000 p.a.
 - f. Compute his total taxable income for the Assessment Year 2019 – 20.

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Q.3

A) Mrs. Tamara Jinnah, a resident in India, aged 35 years, gives you the following details of income earned during the previous year 2018- 19.

- a. Income from Salary (computed) Rs 9, 57,500.
 - b. Family Pension received from the Central Government – Rs 6,000 p.m.
 - c. Royalty received from a publisher for writing a text book on Business Studies – Rs 4,000. She spent Rs 2,100 towards printing and other expenses of manuscript.
 - d. Interest on Post Office Savings Bank Account (Joint Name) – Rs 1,000.
 - e. Interest on Savings Bank account in SBI – Rs 2,400.
 - f. Interest on 6% Debentures in RCB Ltd received in December 2018 – Rs 6,000.
 - g. Royalty (Lumpsum amount) received for writing a book in India on literary works – Rs 3, 20,000.
 - h. Winnings from Horse Races (Gross) Rs 1, 20,000. Tax deducted at source @ 30%.
 - i. Gift of Rs 1, 51,000 received from friends on the occasion of marriage anniversary.
 - j. Gift of a diamond necklace (fair Market Value – Rs 12,00,000) received from her sister on the occasion of her promotion as Area Sales Manager.
 - k. Dividend from a foreign company received in India – Rs 12,000.
 - l. Interest on Securities – Rs 2,000. He spent an amount of Rs 200 towards bank commission to collect the interest.
 - m. Rent from subletting a building, along with plant and machinery Rs 48,000. Depreciation on plant Rs. 7,000.
 - n. Royalty received on original patents – Rs 1, 50,000. He is the holder of an original patent in India.
- Compute Total Taxable Income for Assessment Year 2019 – 20.

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B) Miss. Bharati, a resident individual, gives you the following details, for the previous year ended on 31.3.2019.

- 1) Cost of acquisition of a residential house property in Mumbai on 11th of September, 2014 for Rs 23, 76,000.
- 2) Expenses incurred for the purchase of property – Rs 24,000.
- 3) Sales Price of the residential property in December 2018 – Rs 65, 00,000.
- 4) Expenses incurred on sale of property – Rs 5,000 (borne by the purchaser of the property)
- 5) Cost of repairs and renovation of the property in June 2015 – Rs 2, 54,000.
- 6) She has invested the amount received from the sale proceeding of house property in the following on 10th May 2019:
 - a. Bonds of National Highways Authority on India – Rs 15, 00,000.
 - b. Bonds of Rural Electrifications Corporation – Rs 5, 00,000.
- 7) Cost Inflation Indices (CII) are as follows:

2014 – 15 = 240, 2015 – 16 = 254, 2016 – 17 = 264, 2018 – 19 = 280.
Compute capital Gains for Assessment Year 2019 -20.

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- Q.4** Answer in short **any four** of the following: **4 x 5 = 20**
- a. Interest on borrowed funds for a Self – Occupied property.
 - b. Clubbing of income of a minor child u/s 64 (1A) of the Income Tax Act, 1961.
 - c. Deduction u/s 80DDB of the income Tax Act, 1961.
 - d. Amounts that are not deductible u/s 58 of the Income Tax Act, 1961, while computing income from other sources.
 - e. Any five benefits of Goods and Service Tax.

- Q.5** Answer in short **any four** of the following: **4 x 5 = 20**
- a. Exemption u/s 54B of the Income Tax Act, 1961.
 - b. Deduction U/s 80GG of the Income Tax Act, 1961.
 - c. Return filed beyond time u/s 139 (4) of the Income Tax Act, 1961,
 - d. Payment of advance tax in pursuance of order of Assessing officer.
 - e. Definition of Person u/s 2(84) under CGST Act, 2017.

- Q.6** Answer in short **any four** of the following: **4 x 5 = 20**
- a. Capital Asset u/s 2(14) of the Income Tax Act, 1961.
 - b. Deduction u/s 80DD of the Income Tax Act, 1961.
 - c. Due dates for payment of advance tax for assesses who have opted for presumptive taxation scheme.
 - d. Provisional Assessment u/s 60 of CGST Act, 2017.
 - e. Cases when e – way bill is not required.