



B.Com. (Semester – VI) Examination, April 2015
ACCOUNTING
(Major 2) : Income Tax, Service Tax and Goa Value Added Tax
(Paper – II)

Duration : 2 Hours

Total 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) 'Mr. Prayag', a resident in India, 50 years of age, paid by cheque during the financial year 2013-14, insurance premium of ₹ 21,000 on the health of his dependent mother (a senior citizen); ₹ 10,000 on his own health and ₹ 8,000 for his dependent brother. He also paid ₹ 5,000 on a preventive check up on the health of his spouse, by cash. His income from business is ₹ 5,50,000.
Compute the amount of deduction u/s 80 D for the Assessment Year 2014-15.

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- B) 'Mrs. Nayantara', has received the following cash gifts during the previous year 2013-14 :

	₹
i) From elder brother's friends	25,000
ii) From her father's cousin brother in contemplation of his death	10,000
iii) On her marriage anniversary from her mother	24,000
iv) Under will of her grandmother	1,01,000

Compute the amount of gifts chargeable to tax for the Assessment Year 2014-15.

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- C) 'Mrs. Shweta', a resident in India, provides the following details of her house property for the previous year 2013-14.

	₹
Purchase of house property on May 1, 1981	1,00,000
Cost of alteration in August, 2010	3,00,000
Cost of improvement in June, 2012	2,50,000
Expenditure on transfer	24,000
Sale of house property in February, 2014	20,00,000

Cost inflation index :

1981-82 : 100, 2010-11 : 711, 2011-12 : 785, 2012-13 : 852, 2013-14 : 939

Compute the amount of Capital Gain for the Assessment Year 2014-15, assuming that the assessee is not entitled for any exemptions.

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P.T.O.



D) 'Mr. Rakesh', a registered dealer in Goa, provides the following information for the quarter ended 31st December, 2014

- Sales turnover taxable @ 12.5% (inclusive of VAT) ₹ 2,53,125.
- Sales turnover taxable @ 5% (inclusive of VAT) ₹ 1,31,250.
- Input Tax Credit Available on the following purchases made during the quarter :

Goods	Value (Exclusive of VAT)	VAT Rate
'M'	₹ 1,40,000	12.5%
'N'	₹ 1,10,000	5%

Compute his tax liability for the above quarter under the Goa VAT Act, 2005. **5**

2. 'Mr. Virendra', 61 years of age, a resident individual from Porvorim, Goa provides the following information of his income during the previous year 2013-14. He is the owner of two let out house properties called 'Aashram' and 'Smruti'.

Particulars	'Aashram' ₹	'Smruti' ₹
Fair rent	3,10,000	3,00,000
Municipal valuation	3,25,000	3,50,000
Standard rent	3,20,000	3,25,000
Monthly rent	15,000	16,000
Rent unrealised	1 month	1 month
Vacancy period	1 month	1 month
Municipal taxes (50% borne by owner)	1% (paid)	2% (unpaid)
Date of borrowing of capital	1-2-1999	1-1-1999
Interest on capital borrowed for acquisition of house	36,000	35,000
Fire Insurance Premium	4,000	5,000

He provides the following details of his investments/payments :

- He paid insurance premium on life of his son ₹ 18,000 (policy effected in May 2012, sum assured ₹ 1,50,000).
- He has taken a loan of ₹ 9,00,000 five years back, from a nationalised bank to fund his daughter's MBA course. During the year he repaid an instalment of ₹ 1,10,000, including interest of ₹ 20,000.



- c) Subscription to National Saving Certificate, VIII issue ₹ 40,000.
- d) Deposited in his Public Provident Fund Account ₹ 50,000.
- e) He spent ₹ 18,000 towards medical treatment of his dependent father suffering from 55% disability.
- f) His computed income from profession is ₹ 4,15,000 and computed income from salaries from a part time job is ₹ 1,20,000.

Compute his Total Taxable Income and Tax Payable for the assessment year 2014-15.

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3. 'Mrs. Nandini', a resident in India, 45 years of age, from Margao, Goa submits the following details relating to her income earned during the previous year 2013-14.

	₹
1) Interest on term deposits in Bank of India (Net, after TDS of ₹ 3,000)	31,000
2) Interest received on 10% debentures of Hindustan Unilever Ltd. a domestic company (gross)	22,000
Interest paid on capital borrowed for investment in debentures of Hindustan Unilever Ltd.	18,000
3) Remuneration from articles published in various newspapers	6,000
4) Income from agriculture from land situated in Pakistan	35,000
5) Rent received from sub-letting a house property	46,000
Rent paid to landlord on sub-let house	16,000
6) Interest on Post Office Savings Bank A/c	9,000
7) Proceeds on Maturity of Keyman Insurance Policy (excluding bonus of ₹ 25,000)	1,05,000
8) Family pension received from the State Government	60,000
9) Rent from letting of a factory building and machinery under one composite lease	59,000
Repairs and insurance premium of the machinery paid during the year	4,000
10) Interest on Savings Bank Accounts in different banks	4,500

Compute the amount of Tax Payable for the assessment year 2014-15, assuming that the assessee is not entitled for any exemptions.

P.T.O.



The other information is as below :

- a) She deposited ₹ 1,00,000 in her Public Provided Fund Account.
- b) She made the following donations :
 - i) Prime Minister's National Relief Fund ₹ 10,000
 - ii) Rajiv Gandhi Foundation ₹ 10,000
- c) Her computed income from 'Business' is ₹ 3,05,000 and computed income from 'Salaries' is ₹ 1,20,000

Compute her Taxable Income and Tax Payable for the Assessment Year 2014-15. 20

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

- a) Pre-construction period and interest of pre-construction period of House property.
- b) Deduction u/s 80 CCG of Income Tax Act, 1961.
- c) Payment of Advance Income Tax by the assessee on his own account.
- d) Summary assessment without calling the assessee u/s 143 (1) of Income Tax Act, 1961.
- e) Definition of 'Goods' under Goa VAT Act, 2005.

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

- a) Steps in calculation of Gross Annual Value in case of a let out house property.
- b) Deduction u/s 80 U of Income Tax Act, 1961.
- c) Payment of Advance Income Tax in pursuance of an order of the Assessing Officer.
- d) Belated return under Income Tax Act, 1961.
- e) Definition of 'Dealer' under Goa VAT Act, 2005.

6. A) Answer the following in relation to Capital Gains :

- i) Definition of 'Capital Asset'. 5
- ii) Cost of acquisition of Capital Asset under the Income Tax Act, 1961. 5

B) Dealers eligible for composition of tax under Goa VAT Act, 2005. 10