



B.Com. (Semester – V) Examination, April 2018
Accounting Major – 2 : INCOME TAX, SERVICE TAX AND GOA VALUE
ADDED TAX – I
(New Course)

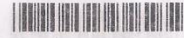
Duration : 2 Hours

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**.

1. A) 'Mr. Rufino D'souza', comes to India for the first time on May 10, 2014. During his stay in India up to October 10, 2016, he stays at Delhi up to April 20, 2016 and thereafter in Mumbai till his departure from India. Determine his residential status for the assessment year 2017-2018. 5
- B) Mr. Bhupesh, an employee of Prime Sports Ltd., receives Rs. 9,30,000 as gratuity under the Payment of Gratuity Act, 1972. He retires on January 2, 2017 after rendering service of 27 years and 7 months. At the time of retirement monthly salary was Rs. 80,000. Determine the amount of gratuity exempted and chargeable to tax for the assessment year 2017-2018. 5
- C) On April 1, 2016, 'Ms. Rupal' owns 7 heavy goods vehicles and 2 light good vehicles. On June 10, 2016, she sold one heavy good vehicle and one light good vehicle on November 15, 2016. Depreciation per vehicle on heavy vehicle is Rs. 8,000, on light vehicle Rs. 5,000. Find out her net income from business of goods carriage u/s 44 AE of Income Tax Act 1961 for assessment year 2017-2018. 5
- D) Mr. Keshav is a service tax assessee. His due date for filing service tax return is 25th April, 2017. What would be the late fees chargeable in case of filing service tax under following situation ? 5
 - i) April 26, 2017
 - ii) May 25, 2017
 - iii) May 26, 2017.

P.T.O.



2. 'Ms. Farida', is employed with Interior Decoration Pvt. Ltd. Goa, she provides the following particulars of her income for the year ending March 31, 2017.

Salary (Net after deduction of Income Tax at source and Professional Tax at source) Rs. 22,000 p.m.

Income Tax deducted at source Rs. 2,000 p.m.

Professional Tax deducted at source Rs. 100 p.m.

Special Bonus Rs. 20,000

Commission Rs. 2,500 p.m.

House Rent Allowance Rs. 8,000 p.m. (HRA exempt for the year works out to Rs. 9,600)

Transport allowance 1,000 p.m.

Advance Salary 5,000

Helper Allowance Rs. 550 p.m. (amount spent 80%)

Entertainment Allowance Rs. 6,000 (amount spent 90%)

Lions club membership fees paid by the employer Rs. 6,500

Contribution of employer to Recognized Provident fund 12.5% of salary (she also makes a matching contribution)

Interest credited to Recognized Provident fund at 10.5% p.a. Rs. 3,793

Compute her income from 'Salaries' for the Assessment Year 2017-2018. **20**

3. 'Mr. Chaturvedi', a practicing Chartered Accountant, gives you the summary of his cash transactions for the year ending 31st March 2017.

Receipts	Amount	Payments	Amount
To Opening Balance	5,000	By Office Expenses	
To Audit fees :		For 2015-2016	2,000
For 2015-2016	7,000	For 2016-2017	7,000
For 2016-2017	4,52,000	By I.C.A.I. Membership fees	5,000
To Consultation fees	12,000	By Salaries and Stipends	2,18,000
To Gift from friends	6,000	By Printing and Stationery	18,200
To Gift from clients	21,000	By Travelling Expenses	11,300



To Rent from House property	27,000	By Office Rent	12,000
		By Interest on Bank Loan	15,600
		By Purchase of computer (on 15/10/2016)	55,000
		By Subscription to Journals	12,500
		By Car expenses	34,000
		By General expenses	15,000
		By Income Tax	10,000
		By Insurance	8,000
		By Diwali gifts to staff	16,400
		By Closing Balance	90,000
	5,30,000		5,30,000

Additional Information :

- 1/3rd of the car expenses relate to personal use.
- Interest on bank loan includes 50% Interest on his own capital.
- Stipends include Rs. 5,000 p.m. paid to the assessee's son who is working as trainee. Similar amount is paid by him to his other trainees working under him.
- Depreciation on Computer is allowed @45% p.a. (computer is used from the date of purchase)
- Insurance is on life insurance policy of his wife.

Compute his Income from Profession for the Assessment Year 2017-2018. **20**

4. Answer in short **any four** of the following in relation to Income Tax Act : **(4x5=20)**
- Definition of Assessment u/s 2(8).
 - Provisions of section 5A.
 - Exemption in relation to amount received under Life Insurance Policy u/s 10(10D).
 - Income u/s 2(24).
 - Exemption in relation to Children's Education and Children's Hostel Expenditure allowance u/s 10(14).



5. Answer in short **any four** of the following in relation to Income Tax Act : (4×5=20)
- Provisions relating to Residential Status of a company.
 - Exemption in relation to Interest on securities u/s 10(15)
 - Conditions for claiming additional Depreciation u/s 32(1) (iiA).
 - Definition of Perquisite u/s 17(ii)
 - Definition of Person u/s 2(31).
6. a) Answer the following in relation to Income Tax Act :
- Definition of Salary u/s 17(1). 5
 - Explain the provisions of section 40A (3). 5
- b) Answer the following in relation to Service Tax :
- Penalty for late registration. 5
 - e-payment of Service Tax. 5