

Goa Vidyaprasarak Mandal's
GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND
ECONOMICS, PONDA – GOA
B.COM. (SEMESTER – VI) EXAMINATION,
AUGUST 2020
COST AND MANAGEMENT ACCOUNTING (MAJOR 1)
INCOME TAX (Old Course)

Duration : 2 hours

Marks : 30

Instructions :

1. Q.1 and Q.2 are **compulsory**.
2. Answer any **FIVE** questions from Q.no. 1
3. Answer any **FOUR** questions from Q.no. 2.
4. Figures to the right indicate maximum marks
5. Working notes should form part of your answer

Q. 1. Answer the following (ANY **FIVE**):

(5 x 2 = 10)

- A. Usha earns a basic salary of ₹ 60,000 p.a. The Dearness allowance she gets is 10% of the basic salary. She also earns Children's Education Allowance ₹ 800 p.m. for two children each. Compute her gross taxable salary based on the above figures, for assessment year 2019-20.
- B. Briefly explain any four incomes taxable under 'Income From Other Sources'.
- C. Vasant, who has a stationery shop, gives the details of the following expenses which are debited to his profit & loss a/c :

Sr. No.	Amount debited to profit and loss a/c	Adjustment
1.	Rent paid for shop ₹ 12,000, paid to his brother.	Out of ₹ 12,000, only ₹ 7,000 is considered reasonable by the assessing officer.
2.	Repairs and maintenance ₹ 11,000	40% of the repairs relate to house property.

State, with reasons, how much each respective expense is admissible in computation of his business income, as per The Income Tax Act.

- D. What are the deductions u/s 24 to a 'let out house property'?
- E. Write a short note on apportionment of income between spouses governed by The Portuguese Civil Code.
- F. Shanti has two businesses. A restaurant which was started on 1st December 2017 and a laundry business which she opened up on 16th August 2018. Determine the relevant previous years for the above two businesses respectively, for assessment year 2019-20.
- G. Mark came to India for the first time on 1st December 2017 and stayed here upto 27th September 2018. Determine his residential status for the assessment year 2019-20.
- H. Neelam, who is 48 years of age and having normal physical disability, has incurred ₹ 80,000 on her medical treatment during the year 2018-19. Determine the deduction from gross total which she can claim for the above and state the relevant section applicable.

contd...2/-

Q. 2. Answer the following (ANY FOUR): (4 x 5 = 20)

A. Amar is a Chartered Accountant and gives the following details of his income for the previous year 2018-19.

		₹
Net income from salaries(part-time job)		1,85,000
Income from profession		6,63,000
Insurance premium paid on LIC policy of self		42,000
He paid medical insurance premium for the following		
a. Self	18,000	
b. Wife	<u>15,000</u>	33,000
Instalment paid - of Loan taken for son's medical studies (including interest ₹14,000)		44,000

Compute his net taxable income for the assessment year 2019-20.

B. Prasad went on a tour to Chennai with his wife, two sons and his sister (who is not dependant on him). During the tour, he incurred the following expenses. ₹ 5,000 on an average per person for travelling by train and back. ₹ 6,500 per individual for hotel accommodation, sightseeing and food. After returning from the tour, his employer reimbursed the entire amount spent by him. Determine the leave travel concession received and exempt as per The Income Tax Act.

C. Briefly explain the term 'Person' u/s 2(31) of The Income Tax Act, 1961 and give suitable examples.

D. Yogesh has provided the following details of his plant and machinery for previous year 2018-19 :

- Opening balance as on 1st April 2018 – ₹ 3,00,000.
- Purchased new machinery on 1st January 2019 for ₹ 4,00,000, which was put to use on the date of purchase itself.
- Sold old machinery costing ₹ 60,000 for ₹ 1,00,000 on 15th June 2018.
- Admissible rate of depreciation is 20%.
- Compute the amount of depreciation admissible for assessment year 2019-20

E. Explain in brief, any five Exemptions available to an individual assessee, u/s 10 of The Income Tax Act.

F. Rohit, who is 45 years old, provides you with the following particulars of his investments for the year ending 31.3.19. You are required to compute deduction from gross total income, for assessment year 2019-20. Also state the relevant section.

- i) Investment in NSC VIII issue in the post office ₹ 20,000.
- ii) Housing loan repayment (including interest ₹ 12,000) to HDFC bank ₹ 62,000.
- iii) Payment towards life insurance premium of himself ₹ 25,000 and wife ₹15,000.
- iv) Contribution to Public Provident Fund ₹ 40,000.
- v) Tuition fees of ₹ 10,000 for son studying Commerce in a college in Bengaluru and ₹ 65,000 for daughter studying Medicine in USA.