

**Goa Vidyaprasarak Mandal's
GOPALGOVIND POY RAITURCAR COLLEGE OF COMMERCE
AND ECONOMICS, PONDA – GOA
B.COM. CBCS (SEMESTER-IV) EXAMINATION, JULY 2021
INCOME TAX**

Time: 2 hours

Maximum Marks: 40

Instructions : 1) Answer any **FOUR** questions from Q.No. 1. to Q.No.6.
2) Figures to the **right** indicate **maximum** marks.

1. Alka is employed with Hotel Sampurna Pvt.Ltd.as the chief accountant and provides the following details of her salary for the year ended 31.3.20. (10 marks)

- I. Basic salary ₹ 44,000 per month.
- II. Dearness allowance (20% of the basic).
- III. Transport allowance ₹1,740 per month.
- IV. Children's education allowance received ₹ 900 per month for 1 child.
- V. Hostel expenditure allowance received ₹1,000 pm. for 2 children each.
- VI. She received entertainment allowance to the extent of ₹ 1,200 per month.
- VII. She also spent ₹700 p.m. on an average for entertainment of the hotel guests.
- VIII. She paid profession tax ₹ 800 per month.
- IX. She was provided with domestic servants at her residence, the perquisite value of which was ₹3,000 per month.
- X. The employer also provided her with a facility of gas connection at home, perquisite value of which shall be ₹ 12,000 p.a.
- XI. She also received ₹10,000 from Youth Club Ponda for her extraordinary work done in the club during the year.

Compute the income from salaries of Alka for the assessment year 2020-21.

2. Akhil, who is the proprietor of an Electronic Stores, provides you with the profit and loss a/c for the year ended 31.3.20 (10 marks)

Particulars	₹	particulars	₹
To staff salaries	86,000	By gross profit b/d	5,98,700
To printing and stationery	16,500	By commission from business	16,000
To staff welfare expenses	9,050	By interest on bank deposits	10,100
To purchase of equipments	50,000	By gifts at the time of marriage	11,000
To bad debts	2,200		
To depreciation	8,700		
To investment in PPF (self)	50,000		
To shop rent	10,000		
To travelling and conveyance	6,000		
To advertisements	6,350		
To interest on capital	2,870		
To income tax paid	4,500		
To net profit c/d	3,54,630		
	<u>6,35,800</u>		<u>6,35,800</u>

The following additional information is provided :

- a) Shop rent includes rent paid to wife ₹ 6,000, which was found to be unreasonable by the assessing officer.

- b) Depreciation to the extent of ₹7,700 was allowable as per Income Tax Rules.
 c) Advertisements to the extent of ₹1,000 in the souvenir of a political party were included above.

Compute the taxable business income of Akhil for the assessment year 2020-21.

3. Keshav, 50 years of age, who is physically disabled, teaches classical music in a music academy at Mumbai. He provides the following information for the year ended 31.3.20.

(10 marks)

Total gross salary	7,45,000
Interest received on (savings) bank deposits	28,000
He also made the following payments during the year:	
a. Payment by cheque for medical insurance with General Insurance Corporation (GIC) in India For mother (age 65)	18,500
b. National Pension Scheme	40,000

Compute the taxable income and tax liability of Keshav for AY 2020-21.

4. Answer the following questions:

- a. Calculate the final tax liability of the following assesseees.

(5 marks)

Assessee	Net Income
Mayur, 55 Years, Resident In India	9,80,000
Rohina, 40, Resident In India	4.75,600

- b.

(5 marks)

Miss Antara is employed with Remi Ltd., situated at Bengaluru. She receives a basic salary of ₹ 24,000 per month and dearness allowance of 60% of basic salary (DA forms a part of computation of retirement benefits). She also receives house rent allowance of ₹12,000 per month. The assessee pays a monthly rent of ₹ 8,000, for accommodation at Bengaluru.

Compute the amount of House Rent Allowance exempt u/s 10(13A) for AY2020-21.

5. a. Compute the Net Income of Pushpa from the following.

(5 marks)

Gross total income	4,30,000
Investment in Public Provident Fund	70,000
Repayment of instalment of housing loan (including interest of ₹ 13,000)	33,000
Medical insurance premium paid in the name of husband and son	30,000
Deposit into National pension scheme	47,000
Paid tuition fees of son for engineering in Belgavi	30,000

- b.

(5 marks)

Kusum is a Government employee who receives ₹1,000 per month as entertainment allowance. Her basic salary during the previous year 2019-20 was ₹18,000 per month. Her house rent, other allowances and perquisites totaled up to ₹ 90,000 annually. She spends ₹ 600 on an average for entertainment expenses. Compute the entertainment allowance deduction available to her under section 16 for the assessment year 2019-20.

- 6. Write short notes on the following (5 x 2 marks each = 10)**
- a. Previous year
 - b. Depreciation on “Block of Assets”.
 - c. Deduction under section 80E.
 - d. Explain the deduction available to an assessee with disability.
 - e. Rebate u/s 87A

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