



2009
SUB - 10

B.Com. (Semester - VI) Examination, April 2013
COST AND MANAGEMENT ACCOUNTING (Major I)
Income Tax and Goa VAT

Duration : 2 Hours

Total Marks : 80

- Instructions :** 1) Question No. 1 is **compulsory**.
2) Answer **any three** questions from question no. 2 to question no. 6.
3) Figures to the **right** indicate **full** marks.

1. Answer **any four** questions from the following : (4x5=20)

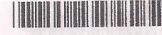
- Mr. Raj who was born and brought up in India, went for further studies to United Kingdom on 1st March, 2010 and came back to India on 2nd October, 2011. Determine his residential status for the assessment year 2012-13.
- Carriers Ltd. is engaged in the business of carriage of goods. On 1st April, 2011 it owns 10 trucks (6 out of which are heavy goods vehicles). On 6th May, 2011 one of the heavy goods vehicles is sold by Carriers Ltd. to purchase a Light goods vehicle on 10th May, 2011 which is put to use from 17th June, 2011. Find out the net income of Carriers Ltd. for the assessment year 2012-13.
- Define 'Assessee' as per the Income Tax Act 1961.
- The following data is taken from the books of Kantilal and Company Limited. The written down value of Plant and Machinery as on 01-04-2011, which is entitled to depreciation @ 25% is Rs. 2,50,000. During the year ending 31-03-2012, two machines were purchased-one on 01-05-2011 for Rs. 80,000 and the second on 01-11-2011 for Rs. 1,25,000. An old machine was sold for Rs. 30,000 during the year. Calculate the depreciation allowable for the Assessment year 2012-13.
- Define 'Business' as per Goa VAT Act, 2005.

2. a) Mr. Shinde is working as a clerk in Indian Railway. The following are the particulars provided for the year ending 31st March, 2012.

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- Salary received @ Rs. 8,500 per month.
- Arrears of salary for the earlier year received during the year Rs. 8,000.

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- iii) He took an advance salary of Rs. 10,000 on account of marriage in the family and a loan of Rs. 20,000.
- iv) Received bonus during the year in respect of an earlier year Rs. 3,000
- v) Mr. Shinde is provided with a car for office use as well as for personal use. The perquisite value of the same is determined at Rs. 4,600.
- vi) He receives transport allowance amounting to Rs. 12,000 out of which he actually spent Rs. 9,000 only.
- vii) Entertainment allowance received during the year @ Rs. 3,000 per month.
- viii) During the year he had spent on books and periodicals Rs. 1,200 and paid profession tax amounting to Rs. 900.

Calculate the taxable income of Mr. Shinde for the Assessment year 2012-13.

- b) Shri Sunil is a leading Chartered Accountant of Goa. He banks all his receipts and makes all the payments by cheques. His receipts and payments account for the year ending 31st March, 2012 is as under. 10

Receipts	Rs.	Payments	Rs.
To balance b/d.	7,500	By Salaries	76,000
To Professional fees	2,02,000	By Telephone expenses	3,500
To Gifts from clients	15,140	By Office rent	4,500
To Interest on Bank Account	6,560	By Subscription to books (Professional)	2,750
To Prize received from Lions Club for best member of the year	5,000	By Car expenses	12,120
To Dividend from Indian companies	3,800	By Purchase of office equipment on 01-04-2011	30,000
		By Advance income tax	6,000
		By Donations	10,000
		By Personal Drawings	50,000
		By Life Insurance Premium (self)	6,230
		By balance c/d.	38,900
	2,40,000		2,40,000



Compute his taxable professional Income for the assessment year 2012-13 after taking into account the following additional information.

- i) Depreciation on office equipment is allowed at 15% p.a.
- ii) It is considered that $\frac{1}{3}$ rd of the car expenses are for personal use.
- iii) Salaries include Rs. 6,000 paid to his daughter towards purchase of a mobile phone to her.
- iv) 10% of the office rent is attributable to his residence.

3. Write short notes on :

(4x5=20)

- a) Amounts received under a Life Insurance Policy u/s 10(10D).
- b) Arrears of rent received u/s 25 B.
- c) Transfer of capital asset u/s 2(47).
- d) Profits in lieu of salary u/s 17(3)

4. Mr. Ranjit Kumar from Ponda is employed with M/s Raj Oil Mills Ltd. as a marketing Manager upto 30th September, 2011 and received the following payments during the Previous Year 2011-12.

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- i) Basic salary Rs. 15,000 p.m.
- ii) D.A. @20% of basic salary.
- iii) Reimbursement of medical expenses Rs. 3,000.
- iv) House Rent Allowance Rs. 6,000 P.M., Rent paid by him Rs. 7,000 p.m.
- v) Bonus received Rs. 3,000.
- vi) Profession tax paid by the employer Rs. 1,400

From 1st October, 2011 he started his own business. Following is his Profit and Loss Account for the Financial Year ending 31-3-12.

Profit & Loss A/c. for the year ending 31-03-2012

Particulars	Rs.	Particulars	Rs.
To opening stock	30,000	By sales	3,00,000
To Purchases	1,00,000	By closing stock	20,000
To Salaries paid	20,000		

SUB – 10

-4-



To Advance income tax	5,000	
To Bad-debts	2,000	
To Interest on bank loan	5,000	
To Provision for Bad-debts	5,000	
To Stationery	2,000	
To Medical Insurance Premium :		
Self	Rs.10,000	
Wife	Rs. 7,000	
Dependent Parents (62 years of age)	<u>Rs.17,000</u>	34,000
To Free distribution of samples	3,000	
To Contribution to P.P.F.	10,000	
To Net Profit bal. c/d.	1,04,000	
	3,20,000	3,20,000

Compute his total taxable income for the Assessment year 2012-13.

5. Answer the following questions briefly : (4x5=20)
- Explain the term 'capital Asset' as defined u/s 2(14) of the Income Tax Act, 1961.
 - Discuss briefly the exemption available u/s 10 in respect of 'Gratuity'.
 - Explain the "Scope of Total Income" under the Income Tax Act, 1961.
 - State any five incomes under the head income from other sources.
6. a) Write a brief note on "Property owned by Co-owners". 5
- b) Explain in brief deduction u/s. 80 C. 5
- c) Define the following terms as per Goa VAT Act, 2005. 10
- Goods u/s 2(p)
 - Person u/s 2(w).