



RN – 12

B.Com. (Semester – VI) Examination, April 2012
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 : (4×5=20)

- a) Mrs. Shilpa who is an Indian citizen came on a visit to India on 2nd June, 2010. She left India on 1st December, 2010. What is her residential status for the assessment year 2011-12 ?
- b) Mr. Peter joins Goa Carbon Ltd. on 16th November, 2009. Prior to 16th November, 2009, he was not in employment. Mr. Peter does not have any other source of income. Determine the previous years for the assessment years 2010-11 and 2011-12.
- c) Mr. John is a non-government employee and also not covered by the payment of Gratuity Act, 1972. He retires on 31st July, 2010 and receives Rs. 1,54,000 as gratuity after a service of 36 years and two months. His average monthly salary during the last 10 months immediately preceding the month in which he retires works out to Rs. 8,000/- per month. Determine the amount of gratuity exempted for the assessment year 2011-12.
- d) Define "Taxable Turnover" as per Goa VAT Act, 2005.
- e) Mr. Rajesh has prepared the following Plant and Machinery Account (one block of asset) in his ledger :

Dr.

Cr.

Plant and Machinery A/c.

Date	Particulars	Amount Rs.	Date	Particulars	Amount Rs.
1-4-2010	To balance b/d	1,00,000	30-9-10	By Bank a/c.	40,000
30-9-10	" P and L a/c. (profit on sale)	10,000	31-3-11	" Depreciation	18,000
			31-3-11	" Balance c/d	2,92,000
1-1-11	" Bank a/c.	60,000			
31-3-11	" Bank a/c.	1,80,000			
		3,50,000			3,50,000

The new plants and machinery were put to use on the date of purchase itself.
The admissible rate of depreciation is 20%. Compute the amount of depreciation admissible on the block for the assessment year 2011-12.

P.T.O.



2. a) Mr. Govind is working as an Accountant in Konkan Railway. The following are the particulars of his income for the ending 31st March, 2011. 10
- i) Monthly basic salary Rs. 8,400/-
 - ii) Dearness allowance Rs. 750/- per month
 - iii) Special allowance Rs. 400/- per month
 - iv) Bonus Rs. 3,500/-
 - v) He is provided with a car for his office use as well as for personal use. The perquisite value of this is ascertained at Rs. 7,650/-
 - vi) He receives Rs. 900/- per month as entertainment allowance out of which he spends Rs. 800 per month on an average.
 - vii) He paid profession tax @ Rs. 75/- per month.
 - viii) Educational allowance received Rs. 300 per month per child for two children.
- Compute his taxable income from salary for the Assessment Year 2011-12.
- b) Following is the Receipts and Payments Account of Dr. Joshi of City Clinic for the year ended 31st March, 2011. 10

Receipts and Payments Account for the Year ended 31-3-2011

Receipts	Rs.	Payments	Rs.
To Balance b/f.		By salaries	40,000
Cash in Hand	2,000	" Bonus to staff	7,500
Cash with bank	<u>2,500</u>	" Printing and stationery	16,800
" Consulting Fees	1,90,000	" Electricity	12,250
" Gifts from Patients	12,000	" Car expenses	32,000
" Visit fees	6,000	" Rent of clinic	
" Winnings from horse races	2,500	(paid to his wife)	15,000
" Amount received under		" Drawings	48,000
Keyman Insurance		" Purchase of equipments	50,000
Policy	35,000	" Miscellaneous expenses	6,000
		" Balance c/d.	
		Cash in Hand	2,450
		Cash with Bank	<u>20,000</u>
	2,50,000		2,50,000

**Additional information :**

- i) Rs. 8,000 is considered as a reasonable rent of the clinic.
- ii) Miscellaneous expenses are incurred for personal purposes.
- iii) Half of the car expenses are for personal use.
- iv) Depreciation allowable on equipments as per Income Tax Act is Rs. 6,000/-

Compute income from business or profession of Dr. Joshi for the assessment year 2011-12.

3. Write short notes on : (4x5=20)

- a) Scope of total income
- b) Property owned by co-owners
- c) Leave travel concession to a citizen of India
- d) Capital Asset V/s 2(14) of the Income Tax Act, 1961.

4. Professor Jack who is a disabled person as is certified by Goa Medical College is employed with City College of Commerce. He furnishes the following information for the previous year ended 31st March, 2011 and requests you to compute his total taxable income for the Assessment year 2011-12. 20

Salary of Rs. 21,000/- per month

Arrears of salary Rs. 14,000/-

Medical reimbursement by the College Rs. 8,000/-

Leave salary received during the year Rs. 10,000/-

Examination fees received from his College Rs. 2,000/-

Remuneration for setting T.Y.B.Com. papers from Goa University Rs. 4,000/-

Royalty for writing book on accountancy received Rs. 20,000/- and expenses incurred for writing manuscripts, proof reading etc. are Rs. 5,000/-

Investments during the year NSC Rs. 6,000/-, PPF Rs. 20,000/- and GPF Rs. 12,000/-

Medical insurance premium paid for self and spouse is Rs. 16,000/-

During the year Prof. Jack won Rs. 30,000/- from Crossword Puzzles.



5. Answer the following in brief : (4x5=20)
- a) Procedure for computation of short term capital gain.
 - b) Explain the deductions available U/S 24 in computing income from House Property.
 - c) Define the term perquisite and give four examples of taxable perquisites.
 - d) What are the deductions allowed under the Income Tax Act, 1961 in computing "Income from other sources" ?
6. a) Define 'Goods' as per Goa VAT Act, 2005. 5
- b) Explain briefly the exemption available U/S 10(1) in respect of Agricultural Income. 5
- c) Write a short note on deduction in respect of interest on loan taken for higher education U/S 80 E. 5
- d) Define 'Gross Total Income' as per Income Tax Act, 1961. 5