



B.Com. (Semester – VI) Examination, April 2014
Major-1 : Cost and Management Accounting (Major I)
INCOME TAX & GOA VAT

Duration : 2 Hours

Max. 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 **maximum** marks.

1. Answer **any four** questions from the following : (4×5=20)

- a) Define the following :
- Gross Total Income and
 - Assessment Year
- b) Enumerate the deduction available for a Self Occupied House Property U/S 24.
- c) Mr. Ajay who is an Indian citizen left India on 25th September, 2012 for the purpose of employment outside India and came back to India on 1st April, 2013. He was in India for more than 365 days during the preceding four previous years 2008-09 to 2011-12. What will be the Residential Status of Mr. Ajay for the Assessment Year 2013-2014 ?
- d) Mrs. Rakhi is not a Government Employee and not covered by the Payment of Gratuity Act, 1972. She retires during the Financial Year 2012-13. She receives Rs. 45,000 as gratuity after a service of 40 years and 2 months. Her average monthly salary during the last 10 months of service was Rs. 2,200. Find out the amount of gratuity taxable and exempted for the Assessment Year 2013-14.
- e) Mr. Rajesh who was working as a Commissioner of Labour retired on 31st December, 2012. He received an Entertainment Allowance of Rs. 1,000 per month till the date of his retirement. He spent on entertainment Rs. 800 p.m. on an average. One fifth of his basic salary amounts to Rs. 16,200. Compute the taxable Entertainment Allowance of Mr. Rajesh for the Assessment Year 2013-14.

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2. a) Mr. Deepraj is an employee of XYZ Pvt. Ltd. The following are the particulars of his income for the financial year ending 31st March, 2013; 10
- i) Basic Salary Rs. 13,000 per month.
 - ii) Dearness Allowance (D.A.) @ 50% of Basic Salary.
 - iii) Taxable House Rent Allowance (H.R.A.) Rs. 700 per month.
 - iv) Entertainment Allowance received Rs. 1,500 per month.
 - v) Bonus Received during the year Rs. 14,000.
 - vi) Overtime Wages received Rs. 1,500.
 - vii) Hostel Allowance received @ 400 p.m. per child for two Children.
 - viii) Education Allowance received @ 200 p.m. per child for two children.
 - ix) Contribution of the employer to the Recognized Provident Fund was in excess of the prescribed amount under the Rules by Rs. 2,000.
 - x) Profession Tax paid during the year Rs. 2,500.

Ascertain the taxable income of Mr. Deepraj from Salary for the Assessment Year 2013-14.

- b) Mr. Vijay is the owner of Vijay Traders. The Profit and Loss Account A/c of his business shows the following : 10

**Profit and Loss A/c of Mr. Vijay
for the year ended 31st March, 2013**

To Salaries	66,000	By Gross Profit	1,43,250
To Profession Tax	1,500	By Refund of Income Tax	2,000
To Income Tax paid	7,500		
To Cash Embezzled	11,200		
To Conveyance Expenses	1,300		
To Printing and Stationery	2,500		
To Interest on Capital	3,000		
To Rent	12,000		
To Depreciation on Furniture	2,750		
To Donation to Panjim Sports Club	2,000		
To Drawings of Mr. Vijay	15,500		
To Net Profit (balance c/d)	20,000		
Total	1,45,250		1,45,250

The Salaries include Rs. 36,000 paid to Mr. Vijay as salary for the service rendered by him towards the business. Ascertain the taxable income of Mr. Vijay for the Assessment Year 2013-14.

3. a) Mr. Kapil who is a Purchase Manager of Vanaspati Pvt. Ltd. provides you the following information about his income from Salary for the financial year ending 31st March, 2013. 10

- i) Net income from Salary Rs. 45,000 p.m.
 ii) Deducted at source from his salary the following :

Income Tax	Rs. 6,000 p.m.
Profession Tax	Rs. 200 p.m.
Provident Fund	Rs. 2,000 p.m.
LIC Premium	Rs. 3,000 p.m.

- iii) Other Income received by him during the year :

Salary in lieu of Leave	Rs. 10,000
Ex-gratia payment	Rs. 15,000
Arrears of Salary	Rs. 15,000

Received Award from his Company towards best Manager Rs. 10,000.

- iv) He invested Rs. 25,000 in the Post Office National Savings Certificate (VIII Issue).

- v) He paid Rs. 16,000 to General Insurance Corporation in respect of Medical Insurance premium for self, spouse and two dependent children.

Compute the Total Taxable Income of Mr. Kapil for the Assessment Year 2013-14. 10

b) Calculate the taxable income of Mr. Vishal who is an eminent Lawyer of Bombay High Court from the following Receipts and Payments A/c for the year ended 31st March, 2013.

**Receipts and Payments A/c of Mr. Vishal
 for the year ended 31st March, 2013.**

	Rs.		Rs.
To Balance b/d		By Drawings	1,45,000
Cash in hand 750		By Salaries	1,08,000
Cash at bank <u>2,250</u>	3,000	By Investment	
To Professional Fees	4,90,000	in NSC VIII th Issue	2,25,000
To Gift from a Client	5,000	By Telephone Expenses	13,685
To Interest on F.D.A/c	12,000	By Travelling Expenses	21,445

