



## 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:

i) Gross Total Income and

ii) 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 25<sup>th</sup> September, 2012 for the purpose of employment outside India and came back to India on 1<sup>st</sup> 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;
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- 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:

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

Charles and a street was alleged and annual and	CONTRACTOR OF THE PROPERTY OF	
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	d) Mrs. Rakini is not a Government
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		Year 2013-14.
Sports Club	2,000	
To Drawings of Mr. Vijay	15,500	
To Net Profit (balance c/d)	20,000	
Total S.at. and of almon	1,45,250	dead to diff and approve 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.

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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.

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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.

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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 31<sup>st</sup> 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 2,250	3,000	By Investment		
To Professional Fees	4,90,000	in NSC VIII <sup>th</sup> 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	

Tanaii		
To L.I.C ab voor held We discuss they	By Rent	36,000
(Amount received on	By Subscriptions	11,370
maturity of policy) 3,50,000	By Purchase of	
	Electronic Typewriter	30,000
(v) Entertainment Allowance recei	By Stationery	42,000
	By Advance Income Tax	65,000
	By Bonus and Gift to Staff	21,000
	By Balance c/d	
	Cash in hand 6,500	
	Cash at Bank 1,35,000	1,41,500
8,60,000		8,60,000
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Depreciation allowable on typewriter amounts to Rs. 13,500 as per the Income Tax Rules.

4. Write short notes on the following:

 $(4 \times 5 = 20)$ 

- a) Transport Allowance.
- b) Scope of Total Income U/S 5
- c) House Rent Allowance U/S 10 (13A)
- d) Arrears of Rent Received U/S 25B

5. Answer the following questions:

 $(4 \times 5 = 20)$ 

- a) What is Business as per the Income Tax Act, 1961?
- b) Explain the Provisions of Section 25AA for the recovery of unrealised Rent.
- c) State the deductions available to an individual U/S 80 U.
- d) List out any five kinds of income taxable under the head 'Income from Other Sources'.
- 6. Write short notes on the following:

 $(4 \times 5 = 20)$ 

- a) Exemption on Partner's Share in profits of the firm U/S 10(2A).
- b) Conditions to be fulfilled while claiming deduction on Depreciation U/S 32.
- c) Deduction available to an individual U/S 80CCC.
- d) Expenses which are not allowed to be deducted while computing the income under the head 'Income from Other Sources'.