

**Goa Vidyaprasarak Mandal's
GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND
ECONOMICS, PONDA - GOA
B.COM. CBCS (SEMESTER – IV) SUPPLEMENTARY EXAMINATION,
MAY/JUNE 2019
INCOME TAX**

Time : 2 hours

Marks : 80

Instructions : 1) Q. 1 is compulsory.

2) Answer any three questions from Q.No. 2. to Q.No.6.

3) Figures to the right indicate maximum marks.

Q.1. Answer the following :

(4x5=20)

- a. Miss Sushma is in Government service and she received ` 25,000 per month as basic salary and ` 5,000 per month as entertainment allowance. She actually spent ` 2,000 p.m. towards entertainment expenses. Compute the entertainment allowance taxable and exempt, for assessment year 2018-19.
- b. Miss Amisha, an Indian Citizen went abroad for the first time, for employment, on 1st August 2014 and settled abroad. She does not visit India during 2015-16 and 2016-17. During 2017-18 she visits India on 28th September 2017 and went abroad on 30th March 2018. Determine her residential status for the assessment year 2018-19.
- c. From the following figures you are required to calculate the depreciation admissible for the respective block, to an individual carrying on business, for the assessment year 2018-19.

Particulars	Plant and Machinery	Building
WDV at the beginning of the year	3,50,000	12,00,000
Additions during the year (31.12.17)	1,80,000	Nil
Sales during the year	1,50,000	2,00,000
Rate of depreciation	15%	10%

- d. Mrs. Aparna went on a tour to Pondicherry with her husband Amar, 2 sons and Amar's father, who is dependent on him. She incurred the following expenses for the tour:
- Travelling expenses by plane and back – ` 4,500 per head.
Sightseeing, lodging and boarding at Pondicherry– ` 9,000 per head.
Her employer reimbursed her all the expenses of tour.
Determine the taxable Leave travel concession.

Q.2) The following are the particulars of the income from salaries, for the year ended 31st March 2018 of Professor Shubhangi, who is a lecturer at a Commerce College in Kolhapur. (20)

- i. Basic salary ` 85,000 per month.
- ii. Dearness allowance 80% of basic salary.
- iii. She took one month's basic salary as advance, for renovation of the house.
- iv. Hostel expenditure allowance ` 1,500 per month per child for one child.
- v. Profession tax was paid by her employer ` 300 per month.
- vi. Remuneration from college for paper setting and correction ` 3,200.
- vii. Rent free accommodation given to her, perquisite value ` 29,000.
- viii. She received ` 2,000 for writing articles in The Times of India.
- ix. She received ` 8,000 as gift from college for being co-ordinator of a seminar on Intellectual Property Rights.
- x. Employer reimbursed to her, medical expenses of ` 18,000.
- xi. She declares that her taxable income from other sources is ` 12,400 only.
- xii. She also made the following investments during the previous year :
 - a) Public Provident Fund ` 80,000.
 - b) LIC premium of self and husband – ` 76,000
 - c) Mediclaim of self – ` 12,000.

Compute the Total Income and tax liability of Shubhangi for the assessment year 2018-19.

Q.3) Aditya is the proprietor of Glossy Tiles Industries. The Profit & Loss A/c for the year ended 31st March 2018 of which is provided below. (20)

Particulars	`	Particulars	`
To staff salary and wages	1,13,200	By Gross Profit b/d	8,60,000
To printing and stationery	18,000	By rent from house	51,000
To fines and penalties	1,100	property	
To travelling expenses	43,800		
To showroom rent	32,000		
To reserve for doubtful debts	5,400		
To depreciation on equipment	19,000		
To advertisement	27,000		
To repairs to house property	18,000		
To interest on loan	22,500		
To LIC premium :			
Staffpolicy 9,000			
Wife 14,000	23,000		
To income tax paid	4,500		
To Drawings	3,000		
To Net Profit C/D	5,80,500		
	9,11,000		9,11,000

Additional information :

1. The advertisement expenses consist of advertisement in the souvenir of a political party to the extent of ` 9,000.
2. Depreciation on equipment as per Income Tax Rules shall be ` 15,500.
3. The interest on loan pertains to loan taken for son's higher studies.

Compute the taxable income and the tax liability of Aditya for the assessment year 2018-19.

- Q.4) Write short notes on the following (**Any Four**): **(4x5=20)**
- a. Assessment u/s 2(8).
 - b. Exemption on agricultural income.
 - c. House rent allowance exempt u/s 10(13A).
 - d. Concept of "block of assets".
 - e. Deduction from Gross Total Income u/s 80TTA.
- Q.5) Answer the following questions (**Any Four**). **(4x5=20)**
- a) Explain the term 'previous year' as defined u/s 2(34).
 - b) What are perquisites? Give any three examples.
 - c) What are the deductions available u/s 16 ? Explain in brief.
 - d) Explain the provisions applicable u/s 44AE.
 - e) Explain, in brief, tax calculation applicable to a very senior citizen.
- Q.6) Answer the following questions (**Any Four**) : **(4x5=20)**
- a) Explain in brief the provisions of gratuity u/s 10(10).
 - b) State and explain some of the allowances earned by a salaried assessee.
 - c) Explain any two expenses disallowable u/s 40(A).
 - d) State the provisions of deduction available for "Mediclaime".
 - e) Explain the deduction available in case of donations given by an assessee.

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