

Goa Vidyaprasarak Mandal's
Gopal Govind Poy Raiturcar College of Commerce and Economics, Ponda – Goa.

S.Y.B.COM. SEMESTER IV Supplementary EXAMINATION CBCS – August 2021
INCOME TAX

Time: 2 hours

Maximum Marks: 40

Instructions : 1) Answer any **FOUR questions** from Q.no. 1. To Q.no.6.
 2) Figures to the **right** indicate **maximum** marks.

1. Rajesh, 40 years of age, is the proprietor of Softcase Bags. The Profit & Loss A/C for the year ended 31st March 2020 is provided below. **(10 marks)**

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 business commission	51,000
To fines and penalties	1,100	By interest on savings bank deposits	14,000
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		
<u>To LIC premium :</u>			
Staff 9,000			
Wife <u>14,000</u>	23,000		
To income tax paid	4,500		
To drawings	3,000		
To Net Profit C/D	5,94,500		
	<u>9,25,000</u>		<u>9,25,000</u>

Additional information :

- The advertisement expenses consist of advertisement in the souvenir of a political party to the extent of ₹ 9,000.
- Depreciation on equipment allowed as per Income Tax Rules shall be ₹ 15,500.

Compute the taxable 'profits and gains of business' for the assessment year 2020-21.

2. Arya, aged 28, is working as a Public relations officer with a Private company at Verna, Goa. The following are the particulars of her salary during the previous year 2019-20. **(10 marks)**

- I. Basic salary ₹ 23,000 per month.
- II. She took one month's basic salary in advance for her mother's 50th birthday.
- III. City compensatory allowance received ₹ 1,500 p.m.
- IV. Entertainment allowance received – ₹ 1,300 pm.
- V. Children's education allowance received ₹ 800 p.m. for one child.
- VI. She is provided with a two wheeler, perquisite value ₹ 18,000 p.a.
- VII. Employer has paid profession tax on her behalf ₹ 2,200 p.a.
- VIII. The employer declared that bonus ₹ 2,500 will be given during the year.
- IX. She received cash of ₹ 5,000 from her employer company for conducting a good National Level workshop.

Compute 'Income from salaries' of Arya for the assessment year 2020-21.

3. Answer the following questions:

- a. Calculate the final tax liability of the following assesseees

(5 marks)

Assessee	Net Income ₹
Anuradha, 35 Years, Resident in India	8,60,000
Chinmaya, 50, Resident in India	4,98,000

- b.

(5 marks)

Mr. Jimmy is employed with Techno Ltd., situated at Chennai. He receives a basic salary of ₹ 38,000 per month and dearness allowance of 60% of basic salary (DA forms a part of computation of retirement benefits). He also receives house rent allowance of ₹15,000 per month. The assessee pays rent of ₹ 12,000 p.m. for accommodation at Chennai.

Compute the amount of House Rent Allowance exempt u/s 10(13A) for AY 2020-21.

- 4.

(10 marks)

Sangita, 40 years of age, is the head clerk at a Catering Institute, Ankola. She provides the following information for the year ended 31.3.20.

	₹
Total gross salary	5,38,000
Interest received on (savings) bank deposits	30,000
She also made the following payments during the year:	
a. Payment by cheque for medical insurance with General Insurance Corporation (GIC) in India	
For father (aged 62)	22,000
b. National Pension Scheme	40,000

Compute the taxable income and tax liability of Sangita for AY 2020-21.

5. a. Compute the Net Income of Aditi from the following. **(5 marks)**

	₹
Gross total income	5,75,000
Investment in post office, NSC VIIth issue	40,000
Repayment of instalment of housing loan (including interest of ₹ 11,000)	41,000
Medical insurance premium paid in the name of unmarried daughter	25,000
Interest paid on loan taken for higher studies of son	9,000
Deposit into National pension scheme	47,000

- b. **(5 marks)**

Ganesh who is working for a limited company, visited Pondicherry on leave travel concession, along with his wife and three children, during the previous year 2019-20. Following were the expenses during the travel: travelling expenses ₹ 8,000 per person, accommodation ₹ 4,000 per person and food ₹ 3,800 per person. His company reimbursed the full amount. Determine the LTC exempt u/s 10(5) of The Income Tax Act, 1961 for the assessment year 2020-21.

6. Write short notes on the following **(5 x 2 marks each = 10)**

- Deduction for entertainment allowance
- Assessment year
- Deduction under section 80TTA
- Rebate u/s 87A
- Income from profession

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