

B.Com. (Semester-IV) Examination, APRIL 2019

INCOME TAX

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 maximum marks.

4) Working notes should form part of the answer.

Q.1 Answer the following questions

(4x5)

a) Ms. Sonia is a promising young women entrepreneur from Margao. On 13th November, 2017, she started a new shop, in "candle arts". She is also the owner of 'mango tart' which she running from 2015. Determine the Previous year for the relevant Assessment year, 2018-19, for the two different, business shops which Sonia owns.

b) Mr. Karim is working as the commissioner of income tax in south Goa. He receives house rent allowance of Rs. 42000/- for the year; however he pays rent of Rs. 24000/- per month. His basic salary per month is Rs. 50000/- . Calculate the house rent allowance deduction available to Mr. Karim for the assessment year 2018-2019

c) As on 1st April 2017, Mr. Satish owns 5 goods carriages. On June 10, 2017 he sold one goods carriage, depreciation per vehicle is Rs. 10,000/- per month. Find out his net income from business of goods carriage for the assessment year 2018-2019.

d) Mr. Pavitrans , a resident in India, 37 years of age , paid by cheque during the financial year 2017- 18, insurance premium of rs 8000/- on his own health and Rs. 6000/- for his dependent sister, Rs. 32000/- on the health of his independent father, aged 62 years of age. He also paid Rs. 6000/- by cash on preventive health check -up of his spouse. Compute the amount of deduction u/s 80D, for the Assessment Year 2018-19

Q.2. Ms' Priya is working in the private school in chennai. She furnishes the following information relating to her income for the previous year 2017-2018. (20 Marks)

- i) Basic salary Rs. 40000/- per month
 - ii) Dearness allowance 10% of salary- per month
 - iii) Profession tax paid by the employer Rs 5000/-
 - iv) Children hostel allowance Rs.500/- per month per child for four children
 - v) Arrears of salary received Rs. 55000/-
 - vi) She paid insurance premium of Rs 10000/- on own life and Rs. 12000/- on the life of spouse
 - vii) She was given accommodation by the employer, the perquisite value is Rs. 18000/-
 - viii) She received ex-gratia of Rs 10000-
 - ix) She paid Rs. 2200/- towards books and periodicals.
 - x) She paid medical insurance premium to GIC for her self Rs 20,000/- and for her spouse Rs. 20,000/-. Their age is less than 60 years.
- Compute Ms. Priya's net taxable income from salary and tax liability for the assessment year 2018-2019.

Q.3. Mr. Collin is the owner of Zat-Pat stores'. He provides the following profit and loss a/c for the year ended 31st march 2018. (20 marks)

Particulars	Amount	Particulars	Amount
To Opening stock	60,000	By Sales	7,50,000
To Purchases	5,00,000	By interest on SB A/C	30,500
To Salaries	30,000	By Closing Stock	65,500
To postage and telex	15,000		
To Diwali expenses	11,600		
To bad debts w/o	51,000		
To Depreciation	15,000		
To Provision for Bad Debts	8,000		
To Advertisement	24,000		
To interest paid on educational loan	27,000		
To persona expenses	10,400		
To Net profit	94,000		
	<u>8,46,000</u>		<u>8,46,000</u>

Additional information:

- i) Salaries include rs. 15000/- paid to his wife which is considered unreasonable.
- ii) Rs 3,000/- paid towards electricity expenses are not recorded
- iii) Expenditure towards advertisement in souvenir of political party Rs. 3000/-

Compute Mr. Collins net Taxable Income from Business and calculate his tax payable for the Assessment Year 2017-2018

Q.4. Write short notes on any four of the following.

(4X5=20)

- a) Person U/S 2(31)
- b) Basic conditions determining residential status of individual U/S 6 (1) of IT Act.
- c) Salary u/s 17 (1)
- d) Provisions for deductions for payments to be allowed on actual payment basis u/s 43 B.
- e) Deductions v/s exemptions

Q. 5. Answer any four of the following question.

(4X5=20)

- a) Explain the provisions of section 10 relating to income from dividend.
- b) Explain briefly the deductions from salaries u/s 16.
- c) Write a note profit in lieu of salary.
- d) Explain the provisions of it act u/s 40(A) 2 in respect of payments to relatives.
- e) Describe the deduction available to the individual assessee U/S 80 E.

Q.6. Answer any four of the following questions.

(4x5= 20)

- a) Write a note on apportionment of income between spouses governed by the Portuguese civil code.
- b) Define perquisites u/s 17 (2).
- c) Write a detail note on section 44 AD
- d) Write a descriptive note on deductions U/S 80 G of the IT Act.
- e) Explain briefly the deductions U/S 80CCC of the Income Tax Act.