

Con. 4943-09.

GM-5984

(2 Hours)

[Total Marks : 60

- N.B. :** (1) All questions are **compulsory** and carries **15** marks.
 (2) Working notes form **part** of the answer.
 (3) **Figures** to the **right** indicate marks of **Sub Questions**.

1. Mr. Roy is a Principal of Government College, gets a salary of Rs. 42,000/- per month. He retired from service on 30th September, 2008. Apart from the salary for September 2008, he received following amounts : 15
- | | |
|--|--------------|
| Encashment of Leave Salary on Retirement | Rs. 1,28,000 |
| Gratuity | Rs. 1,24,000 |
- His monthly Pension is determined at Rs. 10,000 p.m. After retirement Mr. Roy has been employed on a part-time basis as an Education Councillor, where he get salary of Rs. 5,000 p.m. w.e.f 1st December, 2008.
- Mr. Roy purchased a plot of land for Rs. 1,24,000 in April, 2007 and constructed a small house. Cost of construction was met out of lump sum receipts at the time of retirement and by way of borrowing Rs. 1,00,000 on 1st April, 2007 at 18% p.a.
- Construction was over by October, 2008 and the house was occupied by Mr. Roy for his own residence from 1st November, 2008. Municipal taxes on the property are Rs. 3,000 for every half year based on estimated annual letting value of Rs. 81,000/-. Ground rent of Rs. 600 and Fire Insurance premium of Rs. 16,000 were paid for the period property was occupied.
- He incurred the expenses of Rs. 14,000 on medical treatment of his father, who became totally blind on account of old age during March, 2009. His father is dependent on him only.
- He paid Rs. 9,000 towards Term Deposit for 6 years with Bank of India.
- Compute total income of Mr. Roy for Assessment year 2009-10.

OR

1. Dr. Vivek Anand, a medical practitioner provides you the Income and Expenditure account for the year ended 31st March, 2009 : 15

Expenditure	Rs.	Income	Rs.
To Salaries to Staff	54,000	By Consultation Fees	2,60,000
To Rent	36,000	By Visiting Fees	30,000
To Purchase of Medicines	28,000	By Winning from Puzzle Competitions	10,000
To Telephone Expenses	12,000	By Sale of Medicines and samples	30,000
To Printing and Stationery	11,500		
To Statutory Medical Insurance Fees	2,500		
To Books and Periodicals	11,800		
To L.I.C. Premium	1,200		
To Income Tax	3,000		
To LIC—Jeevandhara Premium	20,000		
To Surplus for the year	1,50,000		
Total	3,30,000	Total	3,30,000

Following additional information has been provided :

- (a) Visit fees include Rs. 10,000/- received as a gift from a patient's father.
- (b) Entire stock of medicines has been utilised.
- (c) Half of the rent and telephone expenses are personal in nature.
- (d) Rs. 2,300 printing charges are incurred for 'printing wedding cards' of his daughter.
- (e) Books worth Rs. 1,800/- were fiction novels and not medical books.

Compute on the basis of the above information Dr. Vivek Anand taxable income for the Profession for Assessment year 2009-10.

2. Mr. Abhimani along with his 1 brother and 1 sister became owners of a house, on the death of their father on 26-3-2008. As per the father's will, each child is required to pay Rs. 2,000 lumpsum to their mother, from the income of the house. The co-owners are to share the benefits of the house equally. The following information is provided 15

	Rs.
Rent received	9,00,000
Municipal valuation	9,00,900
Repairs	68,000
Insurance premium payable	60,000
Municipal taxes paid	21,000
Municipal tax payable	3,000
Interest on Housing loan payable	48,000

The housing loan was taken by father for acquiring the house from his friend. The house was vacant for 3 months in the P.Y. 2008-09. Calculate the income from house property for Assessment year 2009-10 of Mr. Abhimani.

OR

2. Mr. Tintin was the General Manager of Cartoon NP Ltd. He retired on December 31, 2008 after thirty years of service. Following information is available :— 15
- (1) Salary Rs. 15,000 p.m. upto December 31, 2008. House rent allowance Rs. 2,000 p.m. upto december 31, 2008. He resides in his own house.
 - (2) Mr. Tintin and his family went to his home town and the expenses of Rs. 5,600 being the cost of First class rail tickets were reimbursed by the employer. This is as per the prescribed conditions.
 3. Mr. Tintin contributes 20 percent, being 10 percent additional voluntary contribution, to recognised Provident Fund and the company matches his regular contribution.
 - (4) He received Rs. 75,000 as gratuity (Exempt Rs. 25,480)
 - (5) The company made him a employee Director from 1-1-2009 @ monthly pay of Rs. 20,000.
 - (6) He is paid Directors sitting fees of Rs. 4,000.
 - (7) During the year, he had received a special allowance to meet office related expenses, @ Rs. 5,000 p.m. He spent 90% of this allowances on office related expenses.
 - (8) He received Rs. 30,000 for Enchashment of Leave, being 2 months' leave not availed of.
 - (9) Professional Tax is Rs. 600.
- Compute Net taxable salary of Mr. Tintin for the Assessment year 2009-2010.

3. Mr. Krutic provides the following information for the year ended 31st March, 2009 : 15
- Received Rs. 40,000/- as award from Shivaji Seva Sansthan instituted in public interest by Government of Maharashtra in respect of Scientific study on Poultry farming.
 - Examinership fees received from Indira Gandhi Open University Rs. 12,500/-.
 - Salary @ Rs. 20,500/- p.m. from Chattrapati Sahu Sikshan Mandal being a Lecturer in college. Profession tax for the year, deducted at source Rs. 1,440/-.
 - Royalty from "Money Publication" Rs. 42,000/- for writing a book on "Economics of Poultry Farming".
 - Received Rs. 5,000/- from H. U. F. as a member of H. U. F. and Rs. 10,000/- as a share in profit of the firm M/s Kruti Agencies. He did not receive any remuneration or interest from the firm.
 - During the year, he paid in cash Mediclaim Premium of Rs. 10,000/- and Rs. 8,000/- by cheque for himself and his wife.

Compute the Net total income of Mr. Krutic for the Assessment year 2009-10.

OR

3. Mr. Prakash a businessman, presents to you the following statements of account relating to the year ended 31.3.2009 for computation of his Gross total income. 15

Capital account of Mr. Prakash

Particulars	Rs.	Particulars	Rs.
To Entertainment Exp.	12,000	By Balance b/d	1,32,000
To Gift to Son	23,000	By Profit	1,31,200
To Shares Purchased	1,50,000	By Crossword Prize	12,000
To LIC Premium	30,000	By LIC Policy Matured	1,25,000
To Balance c/d	2,90,200	By Bad Debts Recovered	5,000
		By Gift from Wife	1,00,000
Total	5,05,200	Total	5,05,200

Profit and Loss Account for the year ending 31.3.2009

Particulars	Rs.	Particulars	Rs.
To Salaries	76,000	By Gross Profit	2,93,000
To Rent	20,800	By Discounts Received	
		From wholesalers	12,500
To Bonus	51,200	By Interest on Deposits	9,000
		(TDS Rs. 1,000)	
To Subscription	5,000	By Income-tax Refund	5,000
To Drawings	11,000	By Interest on Income-tax	
		Refund	1,200
To Conveyance	7,500	By Profit on Sale of	
		Personal Motor Car	16,500
To Bad Debts	3,000		
To Advertisement	16,000		
To Travelling	15,500		
To Profit Transferred to			
Capital Account	1,31,200		
Total	3,37,200	Total	3,37,200

Additional information :

- (i) Entertainment expenses relate to business.
- (ii) Bad debts recovered relate to deduction allowed in 2003-04.
- (iii) Drawings includes Rs. 5,000/- paid towards Medical Insurance Premium for self.

4. (a) How would you determine the annual value of a property which is 8
- (i) Entirely Let-out
 - (ii) Partly Vacant Let out
 - (iii) Self-occupied for Residence
 - (iv) Self-occupied for Business purpose.
- (b) Explain in detail any four items of income which are exempt from Tax u/s 10 Income Tax Act, 1961. 7

OR

4. (a) Define and explain the following, under the Income Tax Act, 1961:— 7
- (i) Resident Individual
 - (ii) Non-resident Individual.
- (b) Comment on the following any **two** : 8
- (i) During the financial year 2008-2009, CA. Ashok Sahu has borrowed from his friends and relatives a sum of Rs. 10,00,000/- and Rs. 8,00,000/- from Bank of India, for the purpose of acquiring a flat. Total Interest amounted to Rs. 1,90,000/-. Out of this 50% of Interest was paid and the balance 50% was payable. Discuss the allowablity of interest on Housing Loan under the Head House Property.
 - (ii) Ashish Dalal regularly buys lottery tickets every week. During the Financial year 2008-09, he has won a single lottery prize of Rs. 2,50,000/- and has spent Rs. 25,000/- on purchase of lottery tickets and spent Rs. 10,000/- on travelling and conveyance etc. Compute his income for Assessment year 2009-10.
 - (iii) Sumit is a partner of M/s Mit Associates. During the Financial year 2008-09, he received from Firm, Salary of Rs. 81,000/- , Interest on Capital of Rs. 18,000/-, Interest on Loan given to firm Rs. 12,000/- and Commission on sales of Rs. 43,000/-. Compute his total income.
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