

V.P.M.'s K.G. Joshi College of Arts & N.G. Bedekar College of Commerce, Thane.
TYBSCOM - A & F 5TH SEMESTER
PRELIMINARY EXAMINATION OCT - 2008

TIME : 11.00 a.m. to 1.00 p.m.
CODE : 522-A

MARKS : 60
DATE : 10/10/2008

SUBJECT & PAPER : TAXN - III.

Instruction : 1] All questions are compulsory.

Q.1 Mr. X submits the following P/c for the year ended 31st March 2008 : 15

Receipts	Rs.	Payments	Rs.
To Salary to staff	60,000	By Gross Profit	4,56,700
To Advance Tax	35,000	By Commission	23,300
To General Exp	36,000	By Income Tax refund	3,000
To Depreciation on Assets	47,500	By LIC Maturity	1,00,000
To Interest on Capital	12,000	By Divident from foreign companies	20,000
To Bad debts Resume	15,000	By interest on FDs with Dena Bank	24,000
To Printing & Stationery	27,000		
To Advertising	58000		
To LIC Premium	26000		
To Insurance [shop]	12000		
To drawings	80000		
To N.P.	2,18,5000		
	6,27,500		6,27,000

Additional Information

- a) Advertising expenses included Rs. 5,000 paid for Advertisement in the brochure of Political party.
- b) Printing & Stationary included Rs.2400 paid for personal expenses.

OR

Q.1 a) Explain the deductions U/s. 24 of house property 15

- b) Deductions U/s. 16 of salary.
- c) Profit in Liev of salary [short note]

Q.2 Mr. Raj working with reputed private company retired on 31st March 2008 after rendering 20 years & 3 months. For the year ended 31st March 2008, he gives you the following detail : 15

- i) Basic salary Rs. 20,000 pm.
- ii) D.A. [40% of Basic Salary]
- iii) Entertainment allowance Rs. 3000 pm
- iv) Gratuity Rs. 3,25,000

CODE : 522 A

OR

Q.2 Define the term

15

- i) Assessee
- ii) Person
- iii) Company

Q.3 a) Mr. Shane warne, an Australian citizen came to India for first time on 1st April 2005 and remained in India continuously till 31st July 2007 on which date he once again went to Australia. Find out his residential status for A.Y. 2008-09.

b) Mr. Chris Gayle a Non Resident in India for P.y. 2007-08 gives you the following details of his income :

Particulars	Rs.
1) Salary earned & received in India	75,000
2) Interest on Deposit from Indian companies outside India	25,000
3) Dividend from foreign companies received in West Indies	15,000
4) Profit from Business at London controlled from Mumbai	95,000
5) Profit from business at Delhi controlled from Germany	50,000
6) Interest on Bank Deposit in Australia Received there	10,000

Find out his total income for A.Y. 2008-09. U/S. 5

OR

Q.3 i) Briefly explain the definition of salary and perquisite U/s. 17(1) & 17(2)

ii) Explain briefly the deductions U/s. 57 [Income from other sources]

Q.4 Mr. Ramesh owns a House Property, the construction of which was completed in Jan 2005. The house is let out for a rent of Rs. 10,000 per month. On 1st April 2002 he borrowed a loan of Rs. 3 lakhs for the purpose of construction @ 18% interest. On 31st Jan, 2005, he borrowed a loan of Rs. 2 lakhs @ 15% & utilised this amount along with interest free rental allowance of Rs. 1 lakh obtained from the tenant & repaid the original loan of Rs. 300000/-. The house is insured & the premium of Rs. 8,000 is regularly paid each year. Property taxes paid is Rs. 15,000/- compute the income from house property for A.y. 08-09.

OR

Q.4 Write notes on

1:

- i) Rule of section 6(1) & section 6(6) along with exceptions
- ii) Previous year & Assessment year Definitions