

(3 Hours)

(Total Marks : 100)

- N.B. : (1) All questions are **compulsory**.
 (2) Figures to the **right** indicate **maximum marks**.
 (5) Working should form **part of the main answer**.

1. (A) Choose the correct option and rewrite the statements (Any Ten) : (10)

- (1) Income Tax Act extends to _____
 • Whole of India
 • India and Pakistan
 • Whole of Maharashtra
- (2) Income Tax is a tax on _____
 • Goods • Services • Income
- (3) The Legal status of Ms. Hima Das, Indian sprint runner is _____
 • an individual • a body of individuals • a sportsman
- (4) Personal 24 carat gold mangalsutra is _____ asset.
 • Fixed • Capital • Current
- (5) Every assessee is a person and _____
 • Every person is also an assessee
 • Every person need not be an assessee
 • An individual is always an assessee
- (6) Total income of a person is determined on the basis of his _____
 • Citizenship • Residential Status • Marital Status
- (7) In case of capital assets acquired on 01-04-1971, Fair Market Value of this capital asset is determined as on _____
 • 01-04-2001 • 01-04-1981 • 01-04-1971
- (8) Deduction under Section 80D in respect of medical insurance premium is allowed to _____
 • An individual
 • Any assessee
 • An individual and HUF

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- (9) Share of profit received by a partner of partnership firm is _____
 • Fully exempt • Fully taxable • Partly taxable
- (10) Uncommuted pension received by a government employee is _____
 • Exempt • Taxable • 1/3 exempt
- (11) The deduction under Section 80E is allowed for payment of interest to the extent of _____
 • ₹25,000 • ₹ 10,000 • any amount
- (12) Award received from the government is _____
 • Taxable • Exempt • Partly exempt

1. (B) Re-write following full sentence and state whether it is True or False (Any Ten) : (10)

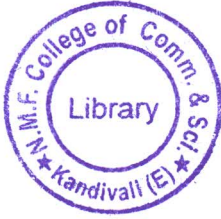
- (1) Ex-gratia received from employer is taxable as a salary.
- (2) When a property is occupied by the owner himself that property is called let-out house property.
- (3) Expenses on local festival navaratri puja is allowable business expenditure.
- (4) Previous year can be more than 12 months.
- (5) There are total five heads of income.
- (6) Salary received by a Member of Parliament is taxable under the head Income from salaries.
- (7) Cost inflation index is applicable for transfer expenses.
- (8) The status of Indian origin individual is always a resident.
- (9) Ground rent is taxable under the head income from house property.
- (10) Gift received by a doctor from his patient is taxable under the head income from profession.
- (11) Interest on Income Tax refund is taxable under the head income from other sources.
- (12) Any sum received under key-man insurance policy is taxable.

2. Mr. Abhijit, who is physically disabled to the extent of 55%, works in a private company. (15)
 He has provided the following particulars of his income for the previous year ended on 31st March, 2018.

- (1) Basic Salary ₹40,000 per month.
- (2) Dearness Allowance ₹ 16,000 per month.
- (3) House Rent Allowance ₹ 10,000 per month.
 [Exempt (under section 10) ₹ 6,000 per month.]

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- (4) Travelling Allowance ₹50,000.
(Amount actually spent on travelling ₹38,000)
- (5) He was provided with the accommodation by his employer, the perquisite value of which was ₹35,000.
- (6) Bonus declared by employer during the year was ₹15,000.
- (7) Profession tax ₹2,500.
- (8) Employee's contribution to Provident Fund ₹48,000.

He also received the following :

- (9) Interest on fixed deposits with Bank of India ₹44,000.
- (10) Interest on fixed deposits with Post Office ₹10,000.
- (11) Dividend from co-operative credit society ₹6,500.
- (12) Gift from his sister ₹51,000.

During the year, he paid ₹32,000 as premium on his Life Insurance Policy.

Compute his taxable income for the Assessment Year 2018-19.

OR

2. Mr. Kedar was a Maharashtra State Government employee, who retired on 30th November, 2017. Thereafter, he joined a private company from 1st January, 2018. (15)

He has provided the following particulars for the previous year ended on 31st March, 2018.

(A) From Maharashtra State Government :

- Basic Salary @ ₹30,000 per month.
- Dearness Allowance @ ₹10,000 per month.
- Gratuity received on retirement ₹3,00,000.
- Commutation of Pension received on retirement ₹2,20,000.
- Pension received @ ₹8,000 per month.
- Profession tax deducted @ ₹200 per month.
- Employee's contribution to provident fund @ ₹5,000 per month.

(B) From Private Company :

- Salary @ ₹25,000 per month.
- Entertainment Allowance @ ₹2,200 per month.

(C) Other Information:

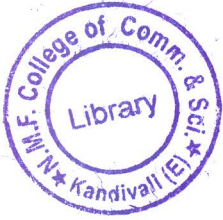
- Interest received on company debentures ₹60,000.
- Dividend received from Indian Companies ₹32,000.
- Interest received on 8% Taxable RBI Bonds ₹20,000.

During the year, he deposited ₹50,000 in his PPF account and paid ₹22,000 towards medical insurance premium for himself and his spouse.

Compute his taxable income for the Assessment Year 2018-19.

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3. Mr. Sanghameetra provides the following information for the previous year ended 31st March, 2018. You are required to compute his net taxable income for Assessment Year 2018-19 : (15)

Profit and Loss A/c for the year ended 31st March, 2018

Particulars	₹	Particulars	₹
To Printing & Stationery	20,000	By Gross Profit	8,50,000
To General expenses	25,000	By Income Tax Refund	8,000
To Interest on capital	55,000	By Dividend from U.T.I	35,000
To GST Penalty	23,000	By Interest on Saving Bank A/c	5,000
To Income Tax	49,000	By Amount received from LIC for matured insured policy	15,000
To Office Rent	26,000		
To Depreciation	30,000		
To Salaries	1,20,000		
To Advertising	9,001		
To Net Profit	5,55,999		
Total	9,13,000	Total	9,13,000

Additional Information :

Salaries includes ₹55,500 for medical treatment of Mr. Sanghameetra's dependent brother, who is person with severe physical disability (81%).

OR

3. The following is the Receipts and Payments Account of Advocate Happy Salve for the year ended 31st March, 2018: (15)

Receipt and Payment A/c

Receipts	₹	Payments	₹
To Balance b/d	4,00,000	By Office Expenses	8,00,000
To Fees from clients	25,00,000	By Stamp paper & court fees	3,00,000
To Fee for fighting India's case at International Court	1	By Salary to staff	15,00,000
To Income for attending court hearing	7,00,000	By Office Rent	4,00,000
To Gift received from client	5,55,555	By Conveyance	1,00,000
To Dividend from foreign company	10,000	By Drawings	6,00,000
To Rent from open plot of land	12,000	By Balance c/d	4,77,556
Total	41,77,556	Total	41,77,556

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**Additional Informations :**

- (1) Drawings includes ₹99,000 towards pension fund (U/S 80CCC) of LIC and ₹92,000 for medical treatment expenditure of his son who is physically disabled to the extent of 51%.

You are required to compute his net taxable income for the Assessment Year 2018-19.

4. Mr. Aniket furnishes you the following particulars of income earned by him during (15) the previous year ended on 31st March, 2018.

Compute his Gross Total Income for the Assessment Year 2018-19 assuming that he is :

- (1) Resident and Ordinarily Resident
(2) Resident but not Ordinarily Resident. (3) Non-Resident.

S.No.	Particulars	₹
(1)	Income from business in Delhi, controlled from London	2,00,000
(2)	Interest on Debentures of Indian Company received in Japan	2,20,000
(3)	Rent from property in France received in Mumbai	2,40,000
(4)	Interest on Bank Accounts in Dubai	1,20,000
(5)	Income from agriculture in Sri Lanka	1,40,000
(6)	Income from business in Nepal controlled from India	1,60,000
(7)	Salary earned and received in Singapore	1,80,000
(8)	Past untaxed profits earned in U.K. brought to India during the previous year.	2,60,000

OR

4. Mr. Pratham is an Indian citizen. He visits various countries for the purpose of his (15) business. Following are the details of his visits out of India :

Name of Country	Date of Departure from India	Date of Arrival in India
Germany (for first time)	01.07.2015	01.03.2017
France	10.04.2017	28.04.2017
U.K.	15.05.2017	01.06.2017
Australia	28.06.2017	15.07.2017
Singapore	01.09.2017	17.09.2017
China	01.02.2018	22.02.2018

Determine his residential status for the Assessment Year 2018-19.

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