

Q1(A) TRUE OR FALSE (Any 8) 1 mark for each.

1. False 2. True 3. False 4. True 5. True.
6. True 7. False 8. False 9. False 10. True

Q1(B) MATCH THE COLUMN (Any 7) 1 mark for each.

1. TDS on salary : Average Income tax Rate
2. First due date of payment of Advance Tax : 15th June
3. Due date of Return of Income for company : 30th September
4. Income of minor child : clubbed in hands of his Parents.
5. Loss from Long term Capital Gain : Carry forward for 8 years.
6. Interest u/s 234A : 1% every month
7. Partners share in Profit : Exempt u/s 10(2A)
8. Interest on Partners capital : 12%.
9. Speculative Loss : Carry forward for 4 years.
10. Bilateral Relief : DTAA exists with foreign country.

Q2.

Name of Assessee : M/s XY2 Ltd.

A.Y. 2018-19

P.Y. 2017-18

Legal status: Partnership firm

Calculation of Total Taxable Income of Partnership Firm.

Particular	₹	₹	₹	Marks
I Net Profit as per P&A A/c		367,400		1
<u>Add: All Disallowed Expenses</u>				
1. Municipal Tax paid	30,000			1
2. Other Expense	12,000			1
3. Remuneration to Partners	180,000			1
4. Depreciation	45,500			1
		2,67,500		
<u>Less: All Disallowed Income</u>				
1. Gross Rent from House Property		(120,000)		1
<u>Less: All Unrecorded allowed Expense</u>				
Depreciation as per Income Tax		(31,500)		1
			483,400	
<u>Less: Remuneration to Partner (WN)</u>			(180,000)	2
Income from Business			3,03,400	
II <u>Income from House Property</u>				
Gross Rent from House Property		120,000		1
<u>Less: Dedn u/s 23(C)</u>		(30,000)		1
municipal tax paid			90,000	
NAV				
<u>Less: Dedn u/s 24(a)</u>		(27,000)		1
Standard Dedn @ 30%			63,000	
Income from House Property			366,400	
Gross Total Income			NIL	
<u>Less: Dedn u/c VI A</u>			366,400	1
Total Taxable Income				
III <u>Tax Liability of Partnership firm:</u>				
366400 × 30%			109,920	
<u>Add: Education Cess @ 3%</u>			3,298	2
Final Tax Liability			1,13,218	
Round off u/s 288B			1,13,220	

Working Note: Calculation of Partners Remuneration.

on ₹ 30,00,000 @ 90%

270,000

on ₹ Balance 60%

1,10,400

Limit u/s 40(b)

380,400

Actual Remh

180,000

Remh to Partners :

180,000

Q2 (A)

OR

Name of Assessee: A Firm

A.Y. 2018-19

P.Y. 2017-18

Residential Status: R & OF.

Particulars	₹	₹	₹	Part
<u>I. Income from Business:</u>				
Net Profit as per P&L A/c		195,000		
<u>Add: All Disallowed Expenses</u>				
1. Cash expenses	30,000			
2. Depreciation	220,000			
3. Interest to partner @ 20%	200,000			
4. Salary to partner	660,000			
		11,10,000		
<u>Less: All Disallowed Income:</u>				
Interest on security		(45,000)		
<u>Less: All unrecovered allowed Expense</u>				
Depreciation as per Income Tax		(150,000)		
			11,10,000	
<u>Less: Interest to partner:</u>			(120,000)	
[20,000 : 20%]				
[? : 12%]				
Book Profit			990,000	
<u>Less: Remuneration to partner (W.N.)</u>			(440,000)	
Income from Business			550,000	06
<u>II. Income from other Source</u>				
Interest on Security			45,000	
Gross Total Income			595,000	02
<u>Less: Dedn u/c VI A</u>			Nil	0
Total Taxable Income			595,000	
<u>Working Note: Calculation of Remuneration</u>				
on 300,000 x 90%	270,000		∴ 440,000	
on Balance x 60%	414,000			
Actual Remh A & B (660,000 x 2/3)	684,000			
	440,000			

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Q2 (B) Calculation of Tax Liability of Mrs. Rani for 2018-19.

Particular	₹	marks
1. Indian Income	395,000	
2. Foreign Income	200,000	
Total Income	595,000	3
Tax on 595,000		
<u>Add: Ed Cess @ 3%</u>	29,000 870	
	29,870	1
<u>less: Relief u/s 91</u>		
Indian Tax Rate		
i.e. $29,870 / 595,000 \times 100$ ----- 5.02%		2
<u>OR</u>		
Foreign Tax Rate		
i.e. $20,000 / 200,000 \times 100$ ----- 10%		
	(10,040)	
∴ Relief u/s 91 is $200,000 \times 5.02%$		
Total Tax Payable in India.	19,830	1

Q3 (A) Calculation of estimated Taxable Income of MR Kumar (62 Age)

Particular.	₹	marks
I. Income from Business	500,000	
II. <u>Income from House Property</u>		
Net annual value	420,000	
<u>less: Dedn u/s 24 ca)</u>		
Standard Dedn @ 30%	(1,26,000)	
	294,000	
Total Taxable Income	794,000	
Tax on 794,000	68,800	
<u>Add: Ed. Cess @ 3%</u>	2064	
Tax Liability	70,864	
<u>less: TDS</u>	(15,000)	
	55,864	4

NOTE: MR Kumar having Income from Business ∴ He is liable to pay advance tax.

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Calculation of Advance TAX Liability.

Due Date	Installment	Ad-Tax Liability
15th June	$55864 \times 15\%$	8380
15th Sept	$55864 \times 30\%$	16,759
15th Oct Dec	$55864 \times 30\%$	16,759
15th March	$55864 \times 25\%$	13,966

4
MKS

Q3(B) Calculation of Total Income of MR & MRS Vartak.
For the A.Y. 2018-19.

Particular	MR-VARTAK	MRS-VARTAK	MKS
I. Gross Salary from ABC Ltd (Taxable Salary to be included in the total Income MRS Vartak u/s 64(1)(ii))	-	2,02,000	2
II. Income from House Property	90,000	-	2
III. Income from other source: Dividend from Indian company (Exempt u/s 10(34))	NIL	NIL	2
Total Income	90,000	2,02,000	

NOTE: In this case, MRS Vartak along with her sister hold substantial interest in ABC Ltd & MR Vartak does not hold professional qualification. ∴ MR Vartak salary club with MRS Vartak.

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OR

Q3. Name of Assessee: MRS Rama.
A.Y. 2018-19 P.Y. 2017-18. legal status: Individual
Calculation of Total Taxable Income

Particular	₹	₹	marks
I. Income from salary		20,00,000	1
II. Income from House Property:			
House-1	1,00,000		
House-2	40,000		
<u>less: House-3</u>	140,000 (20,000)		2
III. Income from Business:		120,000	3
Business-1 (Speculative profit)	100,000		
<u>less: Business-2 (Speculative Loss)</u>	(70,000)		
Business-3 (Non-speculative)		30,000	1
		200,000	1

III. Income from Capital Gain.

Long Term Capital Gain
 less: Short term capital loss

70,000
 (90,000)

Carry forward for Next year.

(20,000)

3

IV. Income from other sources:

Winning from betting

80,000

1

Profit on maintenance of Horse Race

200,000
~~20,000~~

less: Loss on maintenance of Horse Race

(120,000)

80,000

2

less: Unabsorbed Depreciation of P.y 2017-18

(75,000)

2

Total Taxable Income

24,35,000

1

Q4.

Name of Assessee: Mr. Deepak

A.Y. 2018-19

P.y. 2017-18

Legal status: Individual.

Calculation of total Taxable Income.

Particulars	₹	₹	Marks
I. Income from Salary		10,00,000	1
II. Income from House property		2,00,000	1
III. <u>Income from Capital Gain.</u>			
STCG (House)	300,000		
STCG (Eq. Share)	40,000		
LTCG	70,000		
		4,10,000	3
IV. <u>Income from other sources:</u>			
Interest on Bank Fixed Deposit	20,000		
Winning from Lottery	30,000		
		50,000	2
Gross total Income		16,60,000	
less: Dedn u/c VI-A			
80 c: Investment in Sukanya Scheme		(125,000)	1
80 u: Handicapped Assessee (48%)		(75,000)	1
Total Taxable Income		14,60,000	1

Calculation of Total Tax Liability

Particular	STCG u/s 111A	LTCG	Winning Income	Balance Income
Total Taxable Income	40,000	70,000	30,000	13,20,000
Tax on	15%	20%	30%	None
	6000	14,000	9,000	2,08,500
Total Tax Liability		237,500		
Add: Ed. Cess @ 3%		7,125		
		244,625		
Less: TDS on Interest		(3000)		
Final Tax Liability		241,625		
Round off 2SSB		2,41,630		(5 MRS)

NOTE:

upto 250,000	-	NIL
upto 500,000	-	12,500
@ 5%		
upto 10,00,000		100,000
@ 20%		
Balance		96,000
		2,08,500

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Q4 (A) Calculation of Total Taxable Income of MR. Raja & MRS. Rani. For A.Y. 2018-19.

Particular	MR. RAJA	MRS. RANI	Marks
<u>I. Income from Salary:</u>			
MR. RAJA salary (50,000 x 12)	-	600,000	2
MRS. RANI salary (35000 x 12)	-	420,000	2
<u>II. Income from House Property</u>	50,000	-	1
<u>III. Income from other sources</u>	-	100,000	1
	50,000	11,20,000	1
<u>Total Taxable Income</u>			

NOTE: When both, husband & wife, have substantial interest in a concern & both are drawing salary from that concern without possessing any specific qualification, remuneration from such concern will be included in the total income of Husband or wife, whose total income excluding such salary, is Higher.

Q4 (B) m/s Akash is trader subject to Tax Audit

1. Yes, TDS is applicable as Interest is Exceeds ₹ 5000.
= @ 10% under 194A.
2. No TDS, as Individual Contract not exceeds ₹ 30,000
& Aggregate Contract not exceeds ₹ 100,000.
3. Yes, TDS is applicable as Rent paid exceeds ₹ 180,000
TDS Rate is 10%. U/s 194 I
4. No TDS, Commission is not exceeds ₹ 15000 p.a.
5. Yes, TDS is applicable there is no limit for Director
= Sitting fees U/s 194 J.
6. Yes, TDS is applicable as Brokerage is exceeds ₹
= 15000 p.a. U/s 194 H.
7. No TDS, AS Contract of Advertisement is Not exceeds ₹
= 30,000. U/s 194 C.

(each transaction 1 mark)

Q5. (A) Provision of set off & carry forward (8 marks)

(B) Provision of clubbing of minor child income (7 marks)

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Q5. Short Note (Any 3) (5 marks for each)

1. Double taxation Relief
2. Intallment of Advance Tax & Due Date
3. Defective Return.
4. TDS on Contract
5. Tax slab rate of Individual (Age 83)

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