

Duration : 3 Hours

**Instructions:**

1. Q1 is compulsory of 20 Marks
2. Attempt any four questions from Q.No. 2 to Q.No. 7, each question carrying 10 Marks.
3. Make suitable Assumptions wherever needed.
4. Use of Non-Scientific calculator and Bare Income Tax Act is allowed.

1. Keerthi Gandhi Born on 27<sup>th</sup> May 1931, submits the following details of income for the assessment year 2017-18. (20 Marks)

	Rs.
Rent received from house property	1,20,000
Interest on fixed deposit	1,27,500
Interest on Government Securities	36,000
Municipal Taxes Paid	10,000
Royalty Income from writing a book	2,00,000
Expenses allowed from Royalty Income	10,000
Consultation fees	1,00,000
Long term Capital gains	60,000
Short term Capital gains	50,000
Profit from Poultry Business	2,00,000
Interest on savings bank A/c	30,000
Crossword Puzzle winnings	10,000
Donation to Approved Charitable Institutions in Kind	20,000
Donation to Swachh Barath Kosh	10,000
Donation to National Children's Fund	30,000

Compute the Tax payable by the Assessee for the Assessment year 2017-18.

2. Answer any **Two** questions from the following (5x2=10 Marks)

(a) Sunil is employed in Mumbai. His Particulars of income for the AY 2017-18 are as follows:

	Rs.
Basic Salary	9,000 P.M
Dearness Allowances (30% computed for Retirement Benefits)	3,000 P.M
Bonus	10,000
Commission	5,000
Entertainment Allowance	500 P.M

FRV of the free house provided by the employer Rs. 30,000 p.a value of furniture provided is Rs. 30,000  
Compute the Total income from Salary.

(b) Mr. Warren Anderson, an American is appointer as a Scientist in India on 15<sup>th</sup> March 2012. On April 30, 2013 he went to America on deputation and left his wife and children in India. He returned to India and joined his original Job on 7<sup>th</sup> March, 2017. Determine his residential status in India for the AY: 2017-18.;

(C) For the accounting year ended 31<sup>st</sup> March 2017, Lodhar furnishes the following particulars of his income.

	Rs.
Salary received in India	50,000
Income from house property in America and deposited there	1,00,000
Past untaxed income brought into India during the previous year	10,000
Income earned and received in Srilanka	10,000
Profit earned from a business in Jaipur	50,000
Consultation fees received in Bangladesh from a profession controlled from India	1,00,000

3. Answer any **Two** from the following **(5x2=10 Marks)**

a. From the particulars given below compute Income from House Property of Gopalan for the Assessment Year 2017-18, who has residential property in Mumbai

Date of Completion	28 <sup>th</sup> August 2012
Municipal Rental Value	Rs. 60,000 p.a
Fair Rental Value	Rs. 96,000 p.a
Self-Occupied	2/5 portion
Let-out	3/5 portion, from 1 <sup>st</sup> April 2016 to 31 <sup>st</sup> December 2016 @ Rs. 10,000 P.M. and self-occupied from 1 <sup>st</sup> January 2017 onwards.
Municipal Taxes	Rs. 3,000 p.a
Ground Rent	Rs. 10,000 p.a
Fire Insurance premium	Rs. 12,000 p.a
Interest on loan borrowed	Rs. 20,000 p.a

b. Mr. Daniel vijay submits the following particulars of his business from which you calculate the income from business

Net Profit	Rs. 3,660
House hold expenses	Rs. 1,000
Pilgrimage Expenses	Rs. 5,000
Drawings by the Proprietor	Rs. 10,000
Bad debts still recoverable	Rs. 4500
Rent paid	Rs. 10,000
Interest on Bank deposits and Securities	Rs. 10,000
Income Tax Refund	Rs. 2,600

c. Michal converts his plot of land purchased in the year 1983-84 for 30,000 into stock – in – trade on 31<sup>st</sup> March 2003. The Fair Market Value on 31<sup>st</sup> March 2003 is Rs. 1,80,000. The Stock – in – trade is sold for Rs. 2,20,000 in the month of January 2017. Find out the taxable income, if any, and if so under which head of income and for which assessment year?

(Note: CII for 1983-84= 116; 2002-03= 447 and 2016-17=1125)

4. Answer any **Two** of the following

**(5x2=10 Marks)**

- a. Mr. Vasu received the following incomes during the year 2016-17. Compute Taxable income under the head 'Income from other sources', separately for each case.

Dividend from co-operative society	Rs. 10,000
Dividend from a foreign company	Rs. 20,000
Winning from Lottery (Net)	Rs. 70,000
Winning from Horse Race (Net)	Rs. 1,00,000
Interest on Bank deposits	Rs. 3,000
Interest on Loan from relatives	Rs. 5,000

- b. Income of Peter for the year 2016-17. Compute the Gross total income for the assessment year after setting off the losses.

Nature of Income	Profit (Rs.)	Loss (Rs.)
Income From Salary	3,00,000	
Income from House Property: a. Income from House A b. Income from House B	1,00,000	50,000
Capital Gains: a. Short Term Capital Gains b. Long Term Capital Gains	1,00,000	50,000
Income from Card Games Loss From Card Games	6,000	10,000

- c. Compute the total income of Gokul for the Assessment year 2017-18

Income from Salary	Rs. 5,00,000
Income from Business or Profession	Rs. 2,00,000
Donation to Prime minister National Relief fund	Rs. 10,000
Repayment of house loan	Rs. 1,00,000
Interest on House Loan	Rs. 2,40,000
Contribution towards unit linked plan of UTI	Rs. 10,000
Contribution towards unit linked Insurance plan of the LIC Mutual Fund	Rs. 10,000
Royalties income from foreign enterprises	Rs. 12,000

5. Answer any **Two** from the following

**(5x2=10 Marks)**

- Discuss the procedure of regular assessment under the Income-tax Act, 1961.
- What are 'capital assets'? What items are not included in capital assets?
- What are deemed fringe benefits?

6. Distinguish between the following. Answer any **Two**.
- a. Free trade Zone or Special Economic Zone
  - b. Diversion of Income and Application of Income
  - c. Inter- head adjustment and Intra -head adjustment.

7. Write Short notes on the following any **Two**.
- a. Additional Depreciation
  - b. Alternative Minimum Tax
  - c. Block of Asset