

Please check whether you have got the right question paper.

- N.B:
1. Question No.1 and 2 is compulsory.
 2. Attempt any 3 from Q3 t Q7. All questions carry 20 marks each.
 3. The provisions, definitions and section are subject to Income Tax Act 1961.

1. Mr Sun owns a residential house in Delhi comprising of two units occupying area in ratio 2: I. First one is self occupied and remaining is let out to Mr James for ₹ 9000 per month. However the unit was vacant for 2 months during the year. The particulars of the house are as follows: 20

Particulars	₹
Standard Rent	12,00,000 p.a.
Municipal Valuation	15,00,000 p.a.
Municipal Tax	10% of municipal value
Light Charges	2000 per month
Interest on home loan (for the purpose of purchase of house property)	21000 per month
Repairs	18000 p.a.

Apart from above he had following other income-

He is also lecturer in LSK College, Delhi. He furnishes you the following details:

- 1) Monthly salary ₹ 30,000.
- 2) House rent allowance ₹ 450 p.m. (of which ₹ 200 p.m. is exempt)
- 3) Allowance for looking after the evening shift of the college ₹ 3000 p.m.
- 4) Examiner ship fees from Pune University ₹ 5,000 and from Baroda University ₹ 3,200.
- 5) Professional tax deducted at source ₹ 2500.
- 6) Expenditure on attending a seminar at Mumbai ₹ 3,750 however ₹ 4000 was reimbursed by College.
- 7) Interest on savings bank account ₹ 6000 was received and loan for higher education of his daughter was ₹ 2,00,000 on which ₹ 20,000 was paid as interest in previous year 2016-17.

Compute the total taxable income for Mr Sun for AY 2017-18.

2. From the following Profit and Loss Account of X for the year ending 31st March 2017 compute his business income. **20**

Particulars	₹	Particulars	₹
To Office Salaries	15,000	By Gross Profits	1,30,000
To General Expenses	8,500	By Interest. On Bank deposits	4,700
To Interest on Capital of X	3,000	By Interest on Company Deposits	7,000
To Bad debts reserve	5,000	By Refund of Income tax for A.Y. 2014-15	1,000
To Depreciation	15,000		
To Advertisement	9,000		
To Fire Insurance premium	1,200		
To Donation	5,000		
To Advance Income Tax.	4,000		
To Sales tax paid	5,000		
To Income tax for 2016-17	3,000		
To Net Profit	69,000		
	1,42,700		1,42,700

Following additional information is given:

- 1) Allowable depreciation was ₹ 10,000.
 - 2) General expense include furniture purchased worth ₹ 2,500
 - 3) Office salaries include salaries paid to Mrs. X ₹ 3,000, Mrs. X, B.Com. writes the accounts of the business.
 - 4) Advertisement includes ₹ 2,500 for the advertisement in souvenir of a political party.
3. Write Short notes on any 4 **20**
1. Income
 2. Residential Status of a HUF
 3. Person
 4. Gratuity
 5. Pension Funds
 6. Taxable Perquisites
4. Distinguish between Exemptions and Deduction. Explain in brief deduction under section 80C. **20**
5. A) Explain the determination of residential status of an Individual. **10**
 B) Explain the provisions relation to clubbing of income of minor child in the hands of parents. **10**
6. A) Discuss the treatment of business losses under Income Tax Act 1961. **10**
 B) Discuss the provisions of Depreciation under Income from Business and Profession. **10**
7. Explain the provisions of agricultural income in India in brief. Also list 5 exempted incomes under section 10. **20**