

1. Question No.1 and Question No.2 from Section-I are compulsory.
2. Answer any one question from Question No.3 and Question No.4 from Section – I.
3. Answer all questions from Section-II.
4. Figures to the right indicates full marks.
5. Working notes from part of answer.
6. Use of simple calculator is permitted.

SECTION 1

Q1 Following is the Profit & Loss A/c of M/s Max Garments owned by Mr. Suresh for the year 31st March, 2017: [20]

Particulars	Rs.	Particulars	Rs.
To Electricity expenses	80,000	By Gross Profit	6,40,000
To Motor Car Expenses	37,000	By Dividends received from Indian companies	1,00,000
To Salaries & Wages	1,92,500	By Agriculture Income	40,000
To Municipal tax paid	5,000	By Interest on company Deposit	25,000
To Travelling Exp	52,000	By Interest on Saving A/c with SBI	10,000
To Household Expenses.	88,000	By Rent received from Let-out property	1,00,000
To Printing & Stationery	20,500	By winning from lotteries	7,000
To Telephone Bills	50,000		
To Advertisement	5,000		
To Insurance for Factory	15,000		
To Drawing	7,500		
To LIC premium	10,000		
To Net Profit	3,59,500		
	9,22,000		9,22,000

On detailed scrutiny of Profit & Loss A/c it was revealed following:

- a. Salary include Rs. 12,500 given to his daughter who is not reporting to office and seems to be unreasonable.
- b. Household expenses include Rs. 8,000 paid towards Income tax.
- c. Half of the motor car expenses are attributable for personal purpose.
- d. Advertisement expenses are incurred for an advertisement in a souvenir published by a political party.
- e. Mr. Suresh has paid medical insurance premium of Rs 40,000 for his family including his parents who are senior citizen.
- f. Mr. Suresh has contributed to annuity pension fund of Rs 20,000.

Compute the taxable income of Mr. Satish for the assessment year 2017-18.

Q2A Fill in the blanks with appropriate option.

- 1 For non-government employee governed by the Payment of Gratuity Act, 1972, the maximum monetary limit for exemption is _____.
 - a. Rs 5,00,000
 - b. Rs 3,50,000
 - c. Rs 10,00,000
 - d. No limit

[5]

- 2 Maximum amount of deduction under section 80 TTA is _____.
 - a. Rs 5,000
 - b. Rs 2,000
 - c. Rs 10,000
 - d. Rs 15,000
- 3 The maximum amount of standard deduction in case of family pension is _____.
 - a. Rs 5,000
 - b. Rs 2,000
 - c. Rs 15,000
 - d. Rs 20,000
- 4 Amount of deduction in case of a person with severe disability under section 80U will be _____.
 - a. Rs 50,000
 - b. Rs 75,000
 - c. Rs 1,25,000
 - d. Rs 1,50,000
- 5 _____ is not a capital assets within the definition of sec 2(14).
 - a. Personal scooter
 - b. Jewellery
 - c. Goodwill of business
 - d. A house for personal use

B Match the column

Group A	Group B
Wealth tax	Taxable as salary income
Sales tax	Not allowed as business expenses
Long term capital gain on shares	GAV always NIL
SOP	Holding period > 12 months
Uncommuted pension	Allowed as business expenses

- C State whether the following statement are true or false
- 1 Foreign income of Non Resident Indian is taxable in India.
 - 2 Share of income received by member of HUF is fully taxable.
 - 3 Dividend received from foreign company is exempted from tax
 - 4 Total income of a person is determine on the basis of Citizenship
 - 5 Mumbai University is assessed to Income tax as Local Authority.

Q3 Mr Girish received following amount during the year ending 31st March 2017

- Basic salary Rs 4,00,000
- Dearness Allowance Rs 1,50,000
- Commission Rs 1,00,000
- Entertainment Allowance Rs 40,000
- Reimbursement of Medical Expenses in government hospital Rs 15,000
- Professional Tax paid Rs 2,500
- He contributes Rs 50,000 towards recognized provident fund.
- He has given the following details of his other income.
- Dividend from Indian company Rs 5,000
- Dividend from Foreign company Rs 10,000
- Agriculture Income Rs 1,00,000
- Interest on Saving A/c with Bank Rs 15,000
- Interest from Government Securities Rs 10,000 (Interest paid on money borrowed for Investment in government securities Rs 2,000)

Determine His Net taxable income for the assessment year 2017-18 if Mr Girish is state government employee.

OR

Q4 Write short notes (Any three).

- 1 Long term capital gain
- 2 Pension
- 3 Income from other sources
- 4 Deemed to be let out property
- 5 Gratuity

[15]

SECTION II

Q5 Mr Rajesh has given the detail of following services provided during the year 2016-17. Compute taxable value and tax thereon (assuming that all sums received are exclusive of service tax) (Ignore small service provider exemption and abatements) [10]

1. Renting of Bus to state transport undertaking Rs 25,00,000
2. Renting of trucks to a goods transport agency Rs 30,00,000
3. Renting of cars designed to carry passengers to a good transport agency Rs 16,00,000
4. Renting of cranes Rs 25,00,000
5. Hiring of audio visual equipment's Rs 2,00,000
6. Hiring of pandal or shamiana for organizing function Rs 20,00,000
7. Hiring of specialized machinery with transfer of right to use Rs 60,00,000
8. Hiring of agro machinery for use in agriculture Rs 15,00,000

Q6 State whether given statements are True or False (as per service tax). [10]

- 1 The term 'Service' includes 'Declared Services'.
- 2 Service is not taxable applicable to Duties of MP., M.L.A.
- 3 Service tax return for the half year ended on 30th September will have to file by 25th October
- 4 A person who commence business of providing taxable service is required to register himself within 30 days of commencement of business.
- 5 Registration certificate in Form ST- 2 is issued within 7 days from the date of submission of application.
- 6 Service tax laws extended to whole of India.
- 7 There is no need to file NIL return.
- 8 Service tax is paid on trading of goods and services.
- 9 Negative list specified the services which are Liable for Service tax.
- 10 Service tax code is 15 digit numeric code

Q7 Mr. Amit provides the following information of his receipts during the year 2016-17, classify the services as taxable or tax free and compute The taxable value of services for the year 2016-17. (Ignore threshold limit, All amounts are given excluding service tax). [10]

Sr. No.	Particulars	Amount Rs.
1.	Health care services rendered	33,000
2.	Rent from agriculture land given to Food & Agriculture Organization of United Nations	66,000
3.	Salary received from Employer	99,000
4.	Warehousing charges for agriculture produce	77,000
5.	Private tuition fees from school children	1,00,000
6.	Rent from agriculture land given for Fun-fair	2,00,000
7.	Housing society cleaning charges received	3,00,000
8.	Courier charges received	50,000
9.	Amount received from construction of Metro railway	75,000

Q8 Mr.Kiran commenced business on 27th March, 2017. From the following particulars regarding purchases and sales transaction find out from which date he will be liable for Registration and to pay tax as per the provisions of MVAT Act 2002. Give reasons. [10]

Date	Purchases		Sales	
	Taxable	Tax free	Taxable	Tax free
27-Mar-17	8,000	24,000	6,000	18,000
28-Mar-17	1,000	32,000	3,000	25,000
29-Mar-17	500	95,000	1,500	80,000
2-Apr-17	8,000	3,75,000	6,000	2,28,000
4-Apr-17	1,000	1,05,000	4,000	1,75,000
7-Apr-17	20,000	1,10,000	10,000	1,00,000
8-Apr-17	15,000	1,05,000	6,000	1,20,000
10-Apr-17	10,000	2,10,000	4,000	75,000
15-Apr-17	5,000	1,28,000	5,000	1,10,000

Q9 State whether given statements are True or False (as per MVAT). [10]

- 1 Sale of goods falling under Schedule A is taxed at NIL rate.
- 2 Sales return can be claimed as a deduction form Gross turnover of sales within a maximum period of six months from the date of sale.
- 3 Discount will not form the part of sales price.
- 4 As per MVAT, 'Resale' means sale of purchased goods in the same form in which they were purchased.
- 5 Sale of goods falling under Schedule E is taxed at 12.5%.
- 6 News paper is included in definition of 'Goods' as per the MVAT 2002.
- 7 Education Institution is 'Dealer' as per MVAT 2002.
- 8 Set off and refund are one and the same.
- 9 Lottery ticket is included in definition of 'Goods' as per the MVAT 2002.
- 10 Assembling TV set from various parts is not manufacturing activity as per MVAT 2002.
