

**M.COM [PART-II]**-: **ACCOUNTS GROUP** :-**DIRECT AND INDIRECT TAX (REV)****(PAPER - V) (JAN-2020)**

[Total Marks: 100]

1. Question No.1 and Question No 2 from **Section- I** are **compulsory**.
2. Answer **any one** question from Question No 3 & 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-I**

**Q.1.**Joshi is a Chartered Accountant, following is his Receipt and Payments Account for the year ended 31st March, 2018. [20]

<b>Receipts</b>	<b>Rs.</b>	<b>Payments</b>	<b>Rs.</b>
To Cash & Bank B/f	70,000	By Office Rent	6,000
To Fees from Clients (Net)	6,60,000	By Printing & Stationary	5,000
To Honorarium For Articles Writing	40,000	By Gifts to Staff	11,000
To Dividend-Indian Co	5,000	By General Exp.	14,000
To Interest– Bank SB A/c	2,000	By Motor Car Exp	16,000
To Interest-on PO SB A/c	3,000	By Telephone Exp	12,000
To Interest- Bank FD	8,000	By Income Tax	40,000
To Int. on Govt Securities	6,000	By Drawings	1,20,000
To Sale of Motor Car	1,00,000	By Car Insurance	12,000
		By conveyance	13,000
		By Tally Software	19,000
		By LIC Premium paid	64,000
		By Salaries to Staff	12,000
		By Computer (cost)	50,000
		By Cash & Bank C/f	5,00,000
<b>TOTAL</b>	<b>8,94,000</b>	<b>TOTAL</b>	<b>8,94,000</b>

**Additional Information:**

1. Computer was purchased on July 1, 2017 and depreciation is allowed @ 60% on the same.
2. Opening WDV of Block of Motor Cars consisting of 2 Motor Cars was Rs. 2,50,000 and depreciation is allowed @ 20% on the same.
3. Personal use of the Motor car is estimated to be 25%.
4. Fees from clients are after TDS of Rs. 2,000.
5. General expenses include a sum of Rs. 4,000 given to his daughter as birthday gift.
6. Drawings include a sum of Rs. 30,000 given premium for self and family of Rs. 20,000 and Rs. 10,000 for his father, who is a senior citizen.

Compute the net taxable income of Joshi for the AY 2018-19.

Q.2.A.Fill in the blanks with appropriate option.

[5]

1. Residential Status of an assessee can be \_\_\_\_\_.  
 (a) Different for different previous year in the same assessment year  
 (b) Different for different assessment year  
 (c) None of the above  
 (d) All of the above
  
2. The income is chargeable under the head of salary under \_\_\_\_\_ of Income Tax Act, 1961.  
 (a) Section 15  
 (b) Section 20  
 (c) Section 14  
 (d) Section 16
  
3. Basic condition will be for a person who leaves India for employment \_\_\_\_\_.  
 (a) At least 182 days in India  
 (b) At least 60 days in previous year and 365 days in preceding 4 years  
 (c) At least 730 days in preceding 7 years  
 (d) All of the above.
  
4. For computation of Gross Annual Value, if actual rent is more than expected rent, then we select the \_\_\_\_\_.  
 (a) Actual rent  
 (b) Expected rent  
 (c) Any of the above  
 (d) None of the above
  
5. \_\_\_\_\_ deals with PAN.  
 (a) Section 140  
 (b) Section 139A  
 (c) Section 139  
 (d) Section 154

Q.2.B. Match the column:

[5]

GROUP A	GROUP B
1. Uncommuted pension	a. Section 2(7)
2. Assessee	b. Holding period <12 months
3. Previous Year	c. Not allowed as business expenditure
4. Short term capital gains on shares	d. Taxable as salary income
5. Wealth tax	e. Section 2(34) & Section 3

**Q.2.C.** State whether the following statements are True or False: [5]

1. Business expenses are allowed to be deducted from business income even if they are in the nature of personal expenditure of the assessee, as long as they are reasonable.
2. The tax will be economical if the cost of collection is very small.
3. Income tax is a form of tax which is levied on individual's total earnings.
4. Proportional tax is based on the principle 'higher the income, higher the tax'.
5. The losses from any casual income cannot be set off against any losses.

**Q.3.** Compute total income and tax liability on the income of X from the particulars [15] given below for the year ended 31<sup>st</sup> March 18:

Basic pay: Rs. 16,000 pm

Education allowance for one child: Rs. 300 pm

Bonus: Rs. 20,000

Salary in lieu of leave: Rs. 15,000

He contributed Rs. 18,400 to the recognized provident fund and an equal amount was contributed by his employer.

He received Rs.14,000 from bank as interest, dividend of Rs. 10,000 from a foreign company and winning from horse race of Rs. 42,500 (gross).

He paid Rs. 500 professional tax.

**OR**

**Q.4.** Write short notes: [Any three] [15]

1. Gratuity under section 10(10).
2. Long term capital gain.
3. Basis of Charge.
4. Deduction under section 80 D.
5. Commuted pension under section 10(10A).

### Section-II

**Q.5.** Following is the summary of GST payable and input credit available to Ashok: [10]

Tax	Output tax Liability	Input Tax Credit ( ITC)
IGST	15,000	54,000
CGST	36,000	12,000
SGST	36,000	12,000

Compute the tax payable by Ashok for the year Month March-2018.

Q.6. Fill in the blanks with appropriate option.

[10]

1. In India, GST became effective from \_\_\_\_\_
  - a. 1st April, 2017
  - b. 1st January, 2017
  - c. 1st July, 2017
  - d. 1st March, 2017
  
2. GST is a \_\_\_\_\_ based tax on consumption of goods and services.
  - a. Duration
  - b. Destination
  - c. Dividend
  - d. Destiny
  
3. CGST is applicable to \_\_\_\_\_.
  - a. Intra-state
  - b. Inter-state
  - c. Countries
  - d. Market
  
4. Composition levy is \_\_\_\_\_ scheme.
  - a. Optional
  - b. Compulsory
  - c. International
  - d. None of the above
  
5. The term “aggregate turnover” means the aggregate value of all \_\_\_\_\_ supplies.
  - a. Taxable
  - b. Non-taxable
  - c. Service
  - d. Goods
  
6. Levy of tax on the receipt is known as \_\_\_\_\_.
  - a. Reverse
  - b. Straight
  - c. Both
  - d. None of the above
  
7. GST Council was formed under Article \_\_\_\_\_.
  - a. 280
  - b. 279C
  - c. 279A
  - d. 280B
  
8. \_\_\_\_\_ taxes will be levied on import of goods.
  - a. CGST
  - b. SGST
  - c. IGST
  - d. None of the above.

9. \_\_\_\_\_ form is used for registration under GST.
- Form GSTR -1A
  - Form GSTR – 2
  - Form GST REG-01
  - Form GST REG
10. \_\_\_\_\_ is the validity of registration certificate under GST.
- Five years
  - Ten years
  - No validity
  - Valid till it is cancelled

**Q.7.** State the place of supply for the following transactions. Determine if CGST, SGST, [10]  
IGST will be charged or if the transactions are subject to exemption from GST:

- A of Delhi sells goods by endorsing airways bill for goods lying in Mumbai, from where the buyer takes the delivery of the goods.
- A toy dealer having his principal office in Pune imports Chinese toys in Mumbai port.
- A of Allahabad exports garments from Kolkata airport to Italy.
- Kamal, a consultant for JW Ltd, Delhi buys food articles onboard, while flying from Chennai to Bengaluru.
- Vinod is travelling from Bhopal (M. P.) to Kolkata by Gitnajali Express starting from Mumbai. Vinod buys lunch on board at Raipur in Chhattisgarh. The Lunch was loaded by the IRCTC in Nagpur (Maharashtra).

**Q.8. A.** State the difference between composite and mixed supply. [5]

**Q.8.B.** Explain the Central Taxes subsumed on the introduction of GST. [5]

**Q.9.** State whether the following statement are true or false. [10]

- Electronic Commerce Operator is not eligible for composition scheme.
- Prime Minister is chairperson of GST Council.
- The goods and service tax identification number is a 15 digit unique number.
- GST is not levied on supply of alcoholic liquor for human consumption
- The aggregate turnover is computed Permanent Account Number (PAN)wise
- Casual taxable person is eligible for composition scheme.
- A trader in Mumbai supply goods to trader in Delhi, it is called intra- state supply
- The highest rate of tax levied under GST is 28%
- M/s Om shanti gives services regarding funeral and burial in respect of dead bodies will be consider as supply and liable to GST.
- Supply does not include disposal of goods.