



SK – 08

B.Com. (Semester – VI) (Repeat) Examination, October 2015
Accounting Major – 2 : INCOME TAX, SERVICE TAX AND GOA VALUE
ADDED TAX (Paper – II)

Duration : 2 Hours

Max. Marks : 80

- Instructions :** i) Question No. 1 is **compulsory**.
ii) Answer **any 3** questions from the remaining questions.
iii) Show **important** working notes as **fair** work.
iv) Figures to the **right** indicate **marks** allotted.

1. A) 'Mrs. Sharmila', aged 45 years, is a resident in India. She has paid by cheque, Medical Insurance premium during the previous year 2013-14 as under :

	₹
i) For self	5,000
ii) For spouse	7,000
iii) For her brother (employed, 30 years of age)	2,000
iv) For her minor daughter	4,000
v) For her independent parents (both senior citizens)	23,000

Compute the amount of Deduction u/s 80 D for the Assessment Year 2014-15.

5

- B) 'Mr. Prasad', has received the following cash gifts during the previous year 2013-14 :

- i) ₹ 26,000 from his college days friends.
ii) ₹ 10,000 from his father's brother.
iii) ₹ 1,50,000 from his office colleagues on the occasion of his marriage during the year.
iv) ₹ 25,000 on his birthday from wife's friends.

Compute the amount of gifts chargeable to tax for the Assessment Year 2014-15.

5

P.T.O.



- C) 'Miss Reshma', a resident in India, provides the following details of her House Property for the Previous Year 2013-14 :

	₹
Purchase of house property on March 1, 2010	5,00,000
Cost of alteration in August, 2011	3,00,000
Cost of improvement in April, 2012	2,00,000
Expenditure on transfer	10,000
Sale of house property in January, 2014	15,00,000

Cost inflation index :

2009-10 : 632, 2010-11 : 711, 2011-12 : 785, 2012-13 : 852, 2013-14 : 939

Compute the amount of capital gain for the Assessment Year 2014-15, assuming that the assessee is not entitled for any exemptions.

5

- D) The Gross Sales Turnover of 'Mr. Vilas', a registered dealer in Goa, for the quarter ended 31st December 2014 is ₹ 4,50,000. He has paid input tax of ₹ 6,000 on purchases made from Registered Dealers in Goa.

The following are included in Gross Sales Turnover :

	₹
i) Value of stock transferred from Goa	18,000
ii) Value of goods returned within 8 months	2,500
iii) Sale of tax free goods in Goa	14,000
iv) Value of goods sent for sale to local agents	9,000

Cash discount of ₹ 2,250 is not included in the gross sales turnover.

Compute his taxable turnover for the above quarter under the Goa VAT Act, 2005.

5

2. 'Mrs. Babita', a resident individual, aged 62 years, is a Government Employee. Her computed income from 'Salaries' for the previous year 2013-14 is ₹ 3,00,000 and computed income from 'Profession' is ₹ 1,20,000. She owns two flats, which are let out for residence, the details of which are as under :

Particulars	Flat 1	Flat 2
	Let out	Let out
Nature of Occupation	₹	₹
Municipal value	2,40,000	4,80,000
Fair rent	3,60,000	6,00,000
Standard rent	4,00,000	5,28,000
Annual rent	4,32,000	6,00,000



Unrealized rent (conditions of rule 4 satisfied)	36,000	—
Loss due to vacancy (months)	—	01
Date of Borrowing of capital for construction	1/1/2012	1/1/1999
Interest on capital borrowed	60,000	1,18,000
Municipal taxes (paid by the owner)	6,000	10,000

She provides the following information about her donations/investment/payments :

- a) Life insurance premium on policies of self and spouse ₹ 30,000 (policy effected in December 2009, sum assured ₹ 5,00,000)
- b) She paid tuition fees ₹ 10,000 of her daughter's education in a recognised college.
- c) She repaid principal amount of housing loan ₹ 1,50,000.
- d) She acquired listed equity shares of ₹ 50,000 under 'Equity Savings Scheme'.
- e) She made the following donations :
 - i) ₹ 20,000 to Prime Minister's National Relief Fund.
 - ii) ₹ 35,000 to National Children's Fund.

Compute her taxable income and tax payable for the Assessment Year 2014-15. **20**

3. 'Mr. Tanmay', 42 years of age, and ordinarily resident in India, submits the following details of his income earned during the Previous Year 2013-14 :

	₹
a) Interest on Deposits with Sesa God Ltd.	14,000
Interest paid towards Capital borrowed for investment in Sesa Goa Ltd.	10,000
b) Monthly rent from a vacant plot of land, let out for 6 months during the year	10,000
c) Director's fees from EP Group of Industries	20,000
d) Interest on Savings Bank Account in Dena Bank	12,000
e) Dividend received on shares of foreign companies (gross)	19,000
Bank charges on the above dividend	1,000
f) Royalty received for writing a Book on Management	58,000
Expenditure incurred towards preparation of manuscript	22,000
g) Monthly family Pension received from Government of India	3,000
h) Dividend on shares of Hero Ltd. u/s 2(22)(e)	8,000
i) Interest on Public Provident Fund A/c	12,000



- j) Interest accrued (but not received) for 3rd year on National Savings Certificate VIII Issue 6,000
- k) Director's commission for standing as Guarantor to Bankers 13,500
- l) Interest on Bonds issued by Govt. of China (Gross) 20,000
- His computed income from business is ₹ 2,20,000 and his computed income from salaries is ₹ 1,80,000.

Further information for the financial year is as under :

- 1) He contributed of ₹ 17,000 towards National Pension Schemes (His basic salary inclusive of dearness allowance being ₹ 1,50,000)
- 2) He deposited ₹ 30,000 with LIC of India for maintenance of his dependent brother, suffering from 82% disability.
- 3) Self Assessment Tax paid during the previous year ₹ 20,000 (including TDS from salaries).

Compute his taxable income and tax payable for the Assessment Year 2014-15. 20

4. Answer in short **any four** of the following : 20

- a) Deduction for interest on borrowed capital in case of self occupied house property.
- b) Provision relating to Deduction u/s 80 E of the Income Tax Act, 1961.
- c) Due dates and installments of advance income tax payable by a Non Corporate assessee.
- d) Self Assessment u/s 140 A of Income Tax Act, 1961.
- e) Definition of 'Business' under Goa VAT Act, 2005.

5. Answer in short **any four** of the following : 20

- a) Provisions relating to exclusion of Unrealised rent while computing income from house property.
- b) Deduction u/s 80 U of Income Tax Act, 1961.
- c) Payment of Advance Income Tax by virtue of an order of the Assessing Officer.
- d) Best judgment assessment under Income Tax Act, 1961.
- e) Payment of Tax under Goa VAT Act, 2005.

6. A) Answer the following in relation to Capital Gains :

- i) Expenses in connection with transfer. 5
- ii) Full value of consideration. 5

B) Dealers eligible for 'Composition of Tax' under Goa VAT Act, 2005. 10