



B.Com. (Semester – VI) Examination, April 2017
Accounting Major 2 : INCOME TAX, SERVICE TAX AND GOA VALUE
ADDED TAX
(Paper – II) (New Course)

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. Desai' a resident in India, received the following cash gifts during the year 2015-16.
- i) Gift of Rs. 20,000 from her Grandmother.
 - ii) Gift of Rs. 15,000 from her friend on the occasion of her marriage anniversary.
 - iii) Gift of Rs. 2,54,000 under a will of her mother in law.
 - iv) Gift of Rs. 35,500 from her father's friend.

Calculate the amount of gifts chargeable to tax for the Assessment Year 2016-17.

5

- B) 'Mr. Borkar', who is a resident of India, makes the following investments/ contributions during the financial year 2015-16 :
- i) Life insurance premium on his own life (sum assured : Rs. 80,000) (policy taken in July, 2014) Rs. 9,000.
 - ii) Contribution toward public provident fund Rs. 62,000, in his own account.
 - iii) Repayment of loan taken from State Bank of India for purchase of residential house :
Principal Rs. 27,000, Interest Rs. 1,60,000
 - iv) School tuition fees of two children (Rs. 14,000 + Rs. 26,000) Rs. 40,000.
 - v) Contribution towards employees' provident fund Rs. 50,000.

Determine the amount of deduction u/s 80C for the Assessment Year 2016-17.

5

- C) 'Mr. Vishal Patkar' a resident in India, owns the following assets.

Particulars	Shares (non-listed)	House Property
Cost of acquisition	Rs. 1,38,600	Rs. 9,60,000
Date of acquisition	March 10, 2012	March 15, 2013
Sale consideration	Rs. 2,15,700	Rs. 23,48,000
Date of sale	July 7 th , 2015	May 15, 2015

Cost Inflation Index : 2011-2012 : 785, 2012-2013 : 852, 2013-2014 : 939, 2014-15 : 1024, 2015-2016 : 1081

Compute the amount of Capital Gain for the Assessment Year 2016-17.

5

P.T.O.



- D) The gross sales turnover of 'Mr. Anand Navelkar', a registered dealer in Goa for the quarter ended 31st Dec. 2015 is Rs. 5,65,000. He paid input tax of Rs. 5,000 on purchases made from the Registered Dealer in Goa.

Included in the gross sales turnover are the following :

- i) Sale of tax free goods in Goa Rs. 15,000.
- ii) Value of stock transferred from Goa Rs. 25,000.
- iii) Value of goods returned within 8 months Rs. 4,500.

Cash discount of Rs. 3,500 is not included in the gross sales turnover. Calculate his taxable turnover for the above quarter under the Goa VAT Act, 2005.

5

2. 'Mrs. Meenaxi, a resident individual, (67 years of age) submits the following information for the Assessment Year 2016-17.

Her income from Profession is Rs. 11,45,400. The details of her let out house properties are as follows :

Particulars	House I (Rs.)	House II(Rs.)
Fair Rent	4,50,000	4,80,000
Municipal Valuation	4,40,000	5,00,000
Standard Rent	4,00,000	5,20,000
Annual Rent	4,80,000	4,86,000
Unrealised Rent of the previous year		
2015-16 (all condition of rule 4 are satisfied)	12,000	46,000
Repairs	15,000	20,000
Vacancy Period (No. of months)	(1)	(2)
Municipal taxes paid	2%	2%
Unrealised rent of 2014-15 realised		
During the previous year (Not taxed earlier)	28,000	
Interest on borrowed capital for repairs after April, 1 st 1999.		36,000

During the year she made the following payments/contributions :

- i) Rs. 18,000 to Prime Minister's National Relief Fund
- ii) Rs. 3,000 to an approved charitable trust
- iii) Rs. 7,500 to an approved University
- iv) Expenditure on medical treatment (including nursing) of her disabled sister with 65% of disability, dependent on her Rs. 65,000

Compute her Total Taxable Income and Tax Payable for the Assessment Year 2016-17.

20



3. 'Mr. Prasad Sawakar', an employee of private company in Goa. 42 years of age, provides the following information about his incomes received during the previous year 2015-2016.

- i) Rent from letting of building and machinery under the one composite lease Rs. 30,000. Fire insurance premium paid for the same amount to Rs. 600.
- ii) Interest on 5 years fixed deposits in the various Banks Rs. 25,000 (Net after TDS of Rs. 2,500).
- iii) Income from a vacant plot of land @ Rs. 6,000 p.m. for 8 months.
- iv) Income from articles published in the National Newspaper Rs. 4,000 expenses towards typing and stationery Rs. 500.
- v) Mr. Prasad had purchased a work of an art from an exhibition for Rs. 65,000. The fair market value of the work of an art on the date of purchase is Rs. 85,000.
- vi) He received Rs. 15,000 p.m. from the government of Goa as Family pension.
- vii) During the year he won a lottery prize of Rs. 70,000 (Net). Tax deducted at source being Rs. 30,000. He had spent Rs. 200 for purchase of lottery ticket.
- viii) Interest accrued but not received on National Savings Certificate VIII issue (for the 3rd year) Rs. 35,000.
- ix) Dividend of Rs. 25,000 was received from a foreign company. Collection charges of the same amounted to Rs. 500.
- x) Interest on Post Office saving bank Rs. 9,000 and on savings A/c in Bank of India Rs. 13,000.
- xi) Interest credited to unrecognized provident fund A/c Rs. 4,700.
- xii) Interest on Indian Government Securities (gross) Rs. 20,000.

He made the following payments/investments during the financial year 2015-16.

- A) Insurance premium, paid by cheque on the health of his independent mother (senior citizen) Rs. 23,000 on the health of his spouse and himself Rs. 11,000.
- B) He is a new investor who acquired listed equity shares of Rs. 50,000 under notified 'Equity Saving Scheme' (Rajiv Gandhi Equity Saving Scheme).

His computed income from salary amounts to Rs. 4,50,000

Compute his Total Taxable Income and Tax Payable for the Assessment year 2016-17.



4. Answer in short **any four** of the following : (4×5=20)
- a) A house property fully utilized throughout the previous year for self-residential purpose u/s 23(2)(a).
 - b) Deduction under section 80U of Income Tax Act, 1961.
 - c) Due dates for and installments of advance payment of Income Tax.
 - d) Summary assessment without calling the assessee U/s 143(1)
 - e) Provisions relating to payment of tax under Goa VAT Act 2005.
5. Answer in short **any four** of the following : (4×5=20)
- a) Mode of taxation of arrears of rent in the year of receipt u/s 25B.
 - b) Deduction under section 80E of Income Tax Act, 1961.
 - c) Payment of advance tax in pursuance of revised order of assessing officer.
 - d) The due dates for filing return of income u/s. 139(1) of Income Tax Act, 1961.
 - e) Define 'Sale' under Goa VAT Act 2005.
6. a) Explain the following in relation to a capital asset :
- i) Cost of improvement 5
 - ii) Full value Consideration u/s 48. 5
- b) Dealers eligible for composition of tax under Goa VAT Act, 2005. 10