

Seat No.	
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B.Com. (Part - III) (Semester - VI) (CBCS)
Examination, October - 2023

ADVANCED ACCOUNTANCY (Paper - IV)
Taxation
Sub. Code : 80275

Day and Date : Monday, 30 - 10 - 2023

Total Marks : 40

Time : 2.30 p.m. to 4.30 p.m.

Instructions : 1) All the questions are compulsory.
 2) Figures to the right indicate full marks.

Q1) Mr. Soham Patel Furnishes the following details of his income for the A.Y. 2022-23.

He is working in a company, receiving the following emoluments:

Basic Salary ₹ 20,000 p.m.

Dearness Allowance ₹ 7,500 p.m. (Part of retirement benefit).

Transport Allowance ₹ 3,700 p.m. (he is 60% handicapped)

Employer's contribution to R.P.F. ₹ 3,500 p.m. He also makes an equal contribution. He was provided with a rent free furnished accommodation for which company pays ₹ 10,500 p.m. and recovers ₹ 2,500 p.m. from him. The Furniture costing ₹ 25,000 is also provided in the house, Free of cost to Soham.

He also received the following:

Interest on his R.P.F. Balance @ 10% p.a. ₹ 20,500.

Interest on P.P.F. ₹ 1,40,000

Besides his interest due on NSC excluding 6 years is ₹ 15,000.

During the year he had borrowed ₹ 25,00,000 for education @ 11% for himself. He paid half year interest on it.

He paid the following:

- a) LIC premium of ₹ 20,000 on a policy of ₹ 5,00,000
- b) He donated ₹ 5,000 for rural development
- c) He made a deposit of ₹ 25,000 in 5 years term in post office.

Compute total taxable income of Mr. Sohan Patel for the A.Y. 2022-23. [16]

P.T.O.

Q2) Attempt any two of a, b and c of the following.

a) Mr. Ramesh an employee in Bajaj Auto Ltd. Pune gives the following information for the previous year 2021-22. [8]

- i) Basic pay ₹ 8,000 p.m.
- ii) Dearness allowance (which enters into the retirement benefit) ₹ 2,000 p.m.
- iii) Bonus ₹ 15,000 p.a.
- iv) Entertainment allowance ₹ 1,000 p.m.
- v) Employee's contribution to R.P.F. ₹ 20,000 with equal contribution made by the employer also.
- vi) Interest credited to the fund @ 13% p.a. ₹ 26,000.
- vii) House Rent Allowance received ₹ 3,500 p.m. (He paid rent ₹ 1,500 p.m.)
- viii) Free use of car 1.6 CC, both for official and personal purposes.
- ix) LIC premium paid by Mr. Ramesh ₹ 10,000 on Life Policy of ₹ 1,25,000
- x) Professional tax paid ₹ 400 p.m.

Compute taxable salary of Mr. Ramesh and amount of deduction u/s 80C.

b) Mrs. Sarita owns the houses properties, the detailed information is given below. [8]

- i) Self-occupied House
 - 1) Municipal Valuation of ₹ 2,25,000
 - 2) She paid Municipal taxes 10% on municipal value.
 - 3) She paid interest on loan taken for construction ₹ 22,500.

ii) Following information related to the let out house for the previous year.

Municipal valuation ₹ 2,80,000

Fair rent ₹ 2,60,000

Standard rent ₹ 2,40,000

Rent received ₹ 2,30,000

Interest on loan (for construction) ₹ 1,05,000

Fire Insurance premium ₹ 10,000

The owner however bears the following expenses on tenant's amenities.

Salaries of gardner ₹ 16,000

Lighting charges ₹ 20,000

He claims the following deduction of the let out houses.

Collection charges ₹ 10,200

Municipal taxes ₹ 28,000

Legal expenses incurred on purchase of house ₹ 22,000

Compute the taxable income from house property for the A.Y. 2021-22.

c) Following is the profit and Loss Account of Mr. Deshmukh, Aurangabad for the year ended on 31st March 2022. [8]

Profit and Loss Account

Particulars	₹	Particulars	₹
To Salary	1,80,000	By Gross profit	4,59,600
To Bonus	50,000	By Commission	56,000
To Commission	26,000	By Interest on Bank	
To Rent and Taxes	35,000	Deposits	24,700
To Advertisement	10,000	By Birthday Gifts	40,000
To RDD	9,000		
To Depreciation	15,000		
To Conveyance	11,400		
To Printing and Stationery	26,000		
To Interest on capital	20,600		
To Contribution to PF	18,000		
To Net Profit	1,79,300		
	<hr/> 5,80,300		<hr/> 5,80,300

Additional Information :-

- i) Depreciation allowable under income tax rule is amounted to ₹ 20,000.
- ii) Rent and Taxes includes ₹ 12,000, municipal tax on residence house.
- iii) Advertisement includes ₹ 5,000 the cost of permanent signboard.

Compute taxable income from business of Mr. Deshmukh, Aurangabad for the A.Y. 2022-23.

Q3) Write short notes (Attempt any two out of four) [8]

- a) Person (sec. 2 (31))
- b) Constitutional provisions of GST
- c) Tax Free Receipts (sec. 10)
- d) House Rent Allowance