

Seat No.	
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B.Com. (Part - III) (Semester - VI) Examination,
March - 2023
ADVANCED ACCOUNTANCY (Paper - IV)
Taxation
Sub. Code : 80275

Day and Date : Wednesday, 31 - 05 - 2023

Total Marks : 40

Time : 03.00 p.m. to 05.00 p.m.

Instructions :

- 1) All questions are compulsory.
- 2) Figures to the right indicate full marks.
- 3) Use of calculator is allowed.

Q1) Mr. Deshmukh is a practicing lawyer at Sangli. He keeps his books on Cash basis. From the following particulars furnished by him for the previous year ended 31.3.2022, compute his total income. **[16]**

Receipts during the year :

Opening Balance (1.4.2021)	205000
Legal Fees	270000
Special Commission Fees	500
Salary for part time Lectures in a college	348000
Examination Fees from University	2600
Interest on Bank Deposits	2000
Dividend from co-operative society	1000
Directors sitting Fees	10000

Payments during the year :

Subscription to law Journal	3400
Law books purchased (non annuals)	
before 30.9.2021	4000
Rent of premises	21500
Electrical charges	4000
Car expenses	22000
Office expenses	5000
Gifts to daughter	11000

Income Tax	22000
Household expenses	95000
Cost of type writer (purchased on 1.4.2021)	7800
Donation to approved institution	1000
Purchase of Car on 1.10.2021	220000
Lift Insurance premium on self	6000
Closing balance (31.3.2022)	115500

Additional Information :

- a) Half of the premises is used for office and the other half for his residence. Rent & Electrical charges are charged accordingly.
- b) Half of the Car expenses pertain to private use.
- c) Depreciation allowable is 15% on car, 15% on typewriter and 60% on books.
- d) He paid professional tax @ Rs. 50 p.m. from salary income.

Q2) Attempt any two of a, b and c of the following : [8]

- a) Mr. Vikas is an employee in Hindustan Chemical Company Ltd. Pune. He give the following information for the A.Y. 2022-23.
 - i) Basic Salary Rs. 80000 p.m.
 - ii) Dearness allowance Rs. 60000 p.m. (Rs. 10000 enters into retirement benefits)
 - iii) Education allowance for two children Rs. 1000 p.m. for child.
 - iv) House rent allowance Rs. 15000 p.m., but he pays Rs. 20000 p.m. as actual rent.
 - v) Conveyance allowance of Rs. 96000 p.q. for vising the branches.
 - vi) Mr. Vikas and the company contribute 14% of salary towards the recognised provided fund.
 - vii) Company has paid his income tax of Rs. 50000 during the previous year.
 - viii) The company gives him free service of watchman Rs. 300 p.m. and sweeper Rs 200 p.m.
 - xi) Professional tax paid by Mr. Vikas Rs. 500 p.m. compute the taxable Income from salary of Mr. Vikas for the A.Y. 2022-23.

b) Mr. Suresh Deshmukh owns two houses at Aurangabad viz 'Shanti Bhuvan' and Parvati sadan. The construction of the both houses got completed on 1st, July 2020. The particulars of these houses for the year ending on 31st March 2022 are as under [8]

	Shanti Bhuvan (Self. Occupied)	Parvati Sadan (Let out for Residence)
Municipal Rateable value	100000	150000
Fair Rental value	120000	180000
Standard Rent as per Rent		
Control Act	96000	135000
Actual Rent received	-	175000
Municipal taxes paid	10%	10%
White wash expenses	10000	12000
Collection charges	-	5000
Fire Insurance	5000	6500
Land Revenue due	2000	3000
Interest on Loan		
For the construction of house		
From State Bank of India :		
Pertaining to period to 1.7.2020	50000	60000
For the year ending 31.3.2022	245000	50000
Repayment of housing loan during the year	25000	30000
Determine the income from house property for the A.Y. 2022-23		

c) Dr. Dinesh is a medical Practitioners furnish the following receipt and payment account for the year ended 31-3-2022. [8]

Receipt	Rs.	Payment	Rs.
To Balance b/d	32000	By Staff salary	80000
To Consultation fees	350000	By Income Tax	25000
To Visiting fees	50000	By Rent of Clinic	30000
To dispensary receipt	150000	By Electricity	20000
To Professional fees	40000	By Water Bill	3000
To Dividend received	60000	By medicine	80000
To Interest on		By Drawings	120000
Bank deposits	40000	By car expenses	30000
		By LIC premium	20000
		By Membership fees	8000
		By Balance c/d	306000
	<u>722000</u>		<u>722000</u>

Other Information :

- i) Use of car for personal purpose.
- ii) Electricity expenses include Rs. 5000 for private purpose.
- iii) Depreciation car as per Income tax rules is Rs. 45000.
- iv) Closing stock of Medicine amounted to Rs. 10000 compute his income from profession for the A.Y. 2022-23.

3) Write short notes (any two out of four) : [8]

- a) Assessee (sec. 2 (7))
- b) Need of GST
- c) Tax Free Receipts
- d) Entertainment Allowance 16 (ii)

