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| 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 |

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| | |
|---|--------|
| 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.

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- 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)

