

B. Com - III - sem - VI
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| Seat No. | |
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QP Code: 1520QP
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January - February (Winter) Examination - 2023

Subject Name: Bachelor of Comm. (CBCS)_80275_Advanced Accountancy Paper IV (Taxation)
_18.01.2023_10.30 AM To 12.30 PM

Subject Code: 80275

Day and Date: Wednesday, 18-01-2023
Time: 10:30 am to 12:30 pm



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Instructions.:

- 1) All questions are compulsory
- 2) Figures to the right indicate full marks

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- Q.1. Q 1. Mr. Ramprasad, who is an employee of a company at Ahmadabad (Population Exceed 30 Lakh) furnishes the following particulars of his income. 16 [16]
1. Basic Salary Rs.30,000/- per month
 2. Dearness Allowance Rs.5000/- per month (not eligible for retirement benefits)
 3. Bonus Rs.1,00000/- p.a.
 4. Commission fixed Rs.2,50,000/-
 5. Employee's contribution to Recognised provident fund Rs.50000/- to which employee contributes a matching sum.
 6. Interest credited to provident fund at 10% p.a. Rs. 60,000/-
 7. Entertainment Allowance Rs. 6,000/- p.a. (He was receiving from the company Rs. 3,000/-p.a. prior to 01.04.1955)
 8. He was provided with a rent free accommodation of fair rent of Rs. 20,000/- p.a. The cost of furniture provided amounted to Rs. 1,00000/-
- Mr. Ramprasad is the owner of a house property of the municipal value of Rs. 18,000/-. It has been let out at Rs. 2000/- p.m. Municipal Taxes amount to 10% of the Municipal value and 30% of the Municipal Taxes are borne by the tenant. The house remained vacant for two months during the year. Besides he has received Rs. 65,000/- as interest on Bank deposits. His investment and expenditure during the year were.
- Payment of LIC premium on own life Rs.30,000/-. Donation to Prime Minister National Relief Funds Rs. 50,000/-. Professional Tax Rs. 2000/- p.m. Medi-claim insurance premium for family Rs. 12,000/-
- Compute his total income for the A.Y.2022-23



Q.2.

Q. 2 Attempt any two of a, b and c of the following 16

a) Mr. Jagajit Singh is a Government employee at Chandigarh. Compute his salary income

from the particular given below for A.Y. 2022-23

a) Basic Salary Rs.50,000/- p.m.

b) Dearness Allowance @ 80% of basic salary which enters retirement benefit.

c) House Rent Allowance Rs. 5000 /-per month. He Pays a rent of Rs 12,000 per month.

d) Entertainment allowance Rs 2000/- per month Since 1985.

e) Transport allowance (to meet travelling expense between residence and place of work)

Rs 1000 p.m.

f) The contribution 14% of his salary to statutory provident Fund to which employer

contributes an equal amount

g) Interest credited to the fund at 11% p.a. Rs. 1,10,000/-

h) he makes the following payments during the year.

1) LIC Premium Rs. 5000 per month on his policy of Rs. 1000,000

2) Profession tax Rs 300 per month..

Mr. Jagajit is provided a government car of 1.4 cc to be used only for office work. He

also gets an interest free loan of Rs. 20,00,000/- from employer for purchase of computers and

furniture on 1.10.2021, repayable after 3 years.

Give that SBI rate of Interest is 10%

b) Following is the profit and loss account of Mrs. Rajashree for the year ended 31 st March.

2022

| Particulars | Rs | Particulars | Rs |
|---------------------------|--------|------------------------|--------|
| To Salaries | 240000 | By Gross profit | 806000 |
| To General expenses | 65000 | By Bad Debts Recovered | 20000 |
| To Interest on Capital | 86000 | Interest on Debenture | 15000 |
| To Bad debts | 10000 | By Dividend | 65000 |
| To RDD | 40000 | | |
| To Interest on Loan | 70000 | | |
| To Income Tax provision | 50000 | | |
| To Donation | 25000 | | |
| To Motor Car Expenses | 50000 | | |
| To Depreciation Provision | 60000 | | |
| To Net Profit | 210000 | | |
| Total | 906000 | Total | 906000 |

Additional Information

1. Depreciation allowed Rs 40000

2. Motor car is used for private purpose.

3. General expenses include Rs 5000 for travelling at Nashik Tirthayatoa (pilgrimage)

Compute the taxable income from business for the A.Y. 2022-23.

c) Mr. Krishna is a leading advocate at Nagpur. Following is the summary cash book for the year

ending 31.3.2022

Compute his income from profession for the A.Y. 2022-23





| Particulars | Rs | Particulars | Rs |
|--|--------|--|--------|
| Opening balance | 25000 | Salary to assistant | 25000 |
| Professional fees | 160000 | Rent of chamber | 18000 |
| Arbitration Fees | 40000 | House hold expenses | 120000 |
| Gifts | 25000 | Membership fees. | 6000 |
| LIC policy amount received on maturity of policy | 200000 | Car expenses | 20000 |
| Interest on bank deposits | 20000 | Fixed Deposits in SBI | 250000 |
| Agricultural Income | 70000 | Books for Profession Annual publications | 10000 |
| | | Advanced Income Tax | 5000 |
| | | Donation to National Relief fund | 4000 |
| | | Bonus & Gifts To Staff | 20000 |
| | | Purchase of Typewriter | 10000 |
| | | Telephone Expenses | 13000 |
| | | Closing Balance | 39000 |
| Total | 540000 | Total | 540000 |

Additional information:

- 1) Gifts included Rs 7000 received from Friends and relatives as family function and balance from clients
- 2) Depreciation allowable on assets as per income tax rules amounted to 16000 including Rs. 5000 on car but excluding that on cost of books purchased
- 3) One fifth of the car expenses are related to personal use.
- 4) Membership fees included Rs 2000 to Bar Council & and balance private club.

Q.3. Q 3. Write short notes (Attempt any two out of four) 8

[8]

- a) Features of GST
- b) Person (Sec.2 (31)).
- c) House Rent Allowance
- d) Need of GST