

B.Com Semester IV (H)

Internal Assessment

Taxation-I

Paper: CC4.1Ch

Full Marks: 10

Answer any one

1. Mr. X, aged 19 years, left India for first time on May 31, 2018. Determine his residential status for the previous year 2018-19 if:

- i) He left India for employment purpose ii) He left India on world tour. 10

2. Ram provides following details of income, calculate the income which is liable to be taxed in India for the A.Y.2019-20 assuming that –

- (a) He is an ordinarily resident (b) He is not an ordinarily resident (c) He is a non-resident.

Particulars	Amount (Rs)
Salary received in India from a former employer of UK	140000
Income from tea business in Nepal being controlled from India	10000
Interest on company deposit in Canada (1/3rd received in India)	30000
Profit from a business in Mumbai controlled from UK	1,00,000
Profit for the year 2002-03 from a business in Tokyo remitted to India	2,00,000
Income from a property in India but received in USA	45,000
Income from a property in London but received in Delhi	1,50,000
Income from a property in London but received in Canada	2,50,000
Income from a business in Jambia but controlled from Turkey	10,000

B.Com Semester IV (H)

Taxation-I

Paper:CC4.1Ch

Full Marks:40

Answer any two

1. Miss Stuti has the following salary structure: `

a) Basic salary	Rs. 15,000 p.m.
b) Dearness Allowance	Rs. 5,000 p.m. (not forming part of retirement benefit)
c) Hostel Allowance	Rs. 1,000 p.m. (does not have any child)
d) Tiffin Allowance	Rs.500 p.m.
e) Transport Allowance	Rs.200 p.m.
f) Bonus	Rs. 20000 p.a.
g) Commission	Rs. 15000 p.a.
h) Free refreshment in office worth	Rs. 5000 p.a.
i) Mobile phone facility by employer	Rs.900 p.m.
j) Computer facility worth	Rs. 10000 p.a.

She has been provided a Rent-free Accommodation (owned by employer) in Kolkata. The house was allotted to her with effect from 1/5/2018 but she could occupy the same only from 1/6/2018. Find her gross taxable salary.

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2. Mr. Rajesh owns two house properties both of which are let out. Compute his income from the following details:

Particulars	H1	H2
Situated at	Gaya	Mumbai
Gross Municipal value	1,00,000	2,00,000
Fair rent	95,000	2,10,000
Standard rent	90,000	2,00,000
Actual rent receivable	1,00,000	1,80,000
Unrealised rent of current year	8,000	2,000
Municipal tax	10%	1,000
Fire insurance	2,000	1,200

Repairs	Nil	2,000
Interest on loan for construction (@ 12%)	10,000	Nil

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3. From the following particulars of Shri Khote for the year ending 31st March, 2019, find out his taxable income from business for the assessment year 2019-20:

Particulars	(Rs)	Particulars	(Rs)
To Opening Stock	120000	By Sales	21420000
To Purchases	21000000	By Profit on sale of import licence	5000
To Salaries	25000	By Gift received	24000
To Legal Expenses	10000	By Closing Stock	200000
To Bad Debts	5000		
To Rent	50000		
To Interest on loan	2500		
To Depreciation	15,000		
To Income tax paid	2,000		
To Outstanding Customs Duty	25000		
To Advertisement	2000		
To Legal expenses	12000		
To Contribution towards URPF	5000		
To General expenses	17500		
To Traveling expenses	100000		
To Net Profit	258000		
	21649000		21649000

In computing the income, the following facts are to be taken into consideration:

1. Interest on loan is paid to brother of Shri Khote for loan taken for payment of advance income tax.
2. During the previous year 2014-15, assessee had claimed Rs.45,000 as bad debt out of which only Rs. 35,000 was allowed. During the previous year, he recovers Rs.25,000.

3. Contribution towards unrecognised provident fund was paid within time.
4. Legal expenses include Rs. 2,000 paid for preparation of income tax return.
5. Stock is undervalued by 10%.
6. Gift received was given by a supplier for achieving target sale.
7. Outstanding customs duty has been paid on 31-12-2019.
8. During the previous year, he comes to know that his former employee had embezzled cash of Rs. 5,000 on 31-3- 2018, which was not accounted for.
9. Traveling expenses include Rs. 50,000 being cost of trip to Singapore by an employee for 10 days. However, only 8 days of trip is useful to business and 2 days has been allowed as holiday to employee.
10. Rent includes expenditure on extension of shed on rented building Rs. 26,000. However, such extension was completed on 1-5-2019 with total cost of Rs. 50,000.
11. General expenses includes –
 - Salary of Rs. 1,200 paid to domestic servant.
 - Compensation of Rs. 2,000 paid for retrenchment of an employee. Compute his business income for the A.Y. 2019-20