

S.D.E.

T. Y. B. Com. (2008 Course) : SUMMER - 2019

SUBJECT: AUDITING AND TAXATION

Day: Monday
Date: 08/04/2019

S-2019-4695

Time: 03.00 PM TO 06.00 PM
Max Marks: 80

N.B.:

- 1) All questions are **COMPULSORY**.
- 2) Figures to the right indicate **FULL** marks.
- 3) Both the sections should be written in **SAME** answer book.

SECTION-I

Q.1 What is audit? Explain the different types of audit. (16)

OR

Mrs. Nivedita has submitted the following data regarding his income.
Compute her income from salary for the A.Y. 2019-20

- 1) Basic salary Rs. 15,000/-p.m.
- 2) D.A. Rs. 2,000/- p.m.
- 3) Contribution to R.P.f. @ 14% of Salary (by employer)
- 4) City compensatory allowance Rs.100/- p.m.
- 5) Interest on R.P.F. @ 14% is Rs. 2,800/-
- 6) H.R.A. Rs. 1,000/- p.m.
- 7) Entertainment allowance Rs. 200/- p.m.
- 8) Travelling allowance Rs.2000/- (unspent amount Rs. 200/-)
- 9) She has been provided with 18HP car for both official and private purposes.
The assessee pays for the running expenses for the personal use of the car.
- 10) The assessee's two children are studying in the school run by the employer. The cost of education in similar institution is Rs. 1,000/- p.m.
- 11) The assessee is supplied with free gas, water and electricity for which the employer pays Rs. 1,000/- p.a. to an outside agency.
- 12) Rent paid by the assessee for the house is Rs. 1,500/- p.m.
- 13) Professional tax deducted from salary is Rs. 2,500/-

Q.2 Write short notes on any four of the following: (16)

- 1) Objectives of audit
- 2) Deductions from net annual value
- 3) Capital Receipt
- 4) Types of errors
- 5) Verification of assets
- 6) Tax structure in India

SECTION-II

Q.3 Mr. Ganesh is the owner of two houses House No. 1 is occupied by himself and his family and House No.2 is let out to him for residential purpose. (16)

The following particulars relating to the houses for the financial year 2018-19 are available

Particulars	House I	House II
Municipal value	6,000	7,000
Rent received @ Rs. 600/- per month	---	7,200
Municipal tax	500	400
Interest on loan taken for construction of the house	400	200
Land revenue	100	80
Fire Insurance Premium	200	120
Repairs	1,000	1,200
Rent collector's salary	---	300

Compute his income from House Property for the A.Y. 2019-20

P.T.O.

OR

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|----|--|------|
| 1) | What are the qualifications for company auditor? | (08) |
| 2) | Discuss nature of clean and qualified audit report | (08) |

Q.4

(16)

Receipt and Payment Account of medial practitioner for the year ended 31st March 2019

Receipts	Rs.	Payments	Rs.
To Balance b/d	1,10,000	By Clinic Rent	15,000
To Visiting fees	65,000	By Staff Slaries	80,000
To Consultation Fees	65,000	By Rent and Taxes	5,000
To sale of medicines	25,000	By electricity and water	4,000
To Operation Theatre rent	15,000	By Purchase of medical books (Annual Publ.)	4,000
o Interest and Dividend	20,000	By Purchase of Medicines	30,000
		By Motor Car Expenses	15,000
		By Medical Association fees	5,000
		By Audit Fees	20,000
		By Staff Welfare Expenses	2,000
		By Diwali Expenses	1,000
		By Purchase of Surgical Equipments	30,000
		By Entertainment expenses	6,000
		By Balance c/d	83,000
	3,00,000		3,00,000

Additional Information

- 1) Depreciation allowance under Income Tax Rules is amounting to Rs. 7,500/- on Surgical Equipment and Rs. 6,000/- for motor car (for Professional use)
- 2) One-Third of Motor Car Expenses relate to his personal use.
Compute the taxable income from Profession for the A.Y. 2019-20

OR

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|----|---|------|
| 1) | Explain the audit certificate in detail. | (08) |
| 2) | Discuss the concept "Clean audit report". | (08) |

Q.5

Write short notes on **ANY FOUR** of the following:

(16)

- 1) Element of audit report
- 2) Tax on Long term capital gain u/s 111A
- 3) Compulsory reappointment of auditor
- 4) Cost of improvement
- 5) Removal of an Auditor
- 6) Service Tax