

M. COM. SEM-I (2018 Course) (Choice Based Credit System) :

WINTER - 2018

SUBJECT : ELECTIVE – A GROUPS : ADVANCED ACCOUNTING – II

Day : Tuesday
Date : 16/10/2018

W-2018-0401

Time : 03.00 PM TO 06.00 PM
Max. Marks : 60

N.B.

- 1) All questions are **COMPULSORY**.
 - 2) Figures to the **RIGHT** indicate **FULL** marks.
 - 3) Use of calculator is allowed.
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Q.1 Explain the following terms under the Income Tax Act. (**Any Four**) **(16)**

- a) Person
- b) Non-resident in India
- c) Deemed Income
- d) House Rent Allowance
- e) Assessee
- f) Agricultural income

Q.2 Mr. Kincha retired on 31.12.2017 under voluntary retirement scheme approved **(16)**
under the income-tax rules. He was drawing a basic salary of Rs. 6,000 p.m.

Pension after retirement – Rs. 4,000 p.m.. He commuted 75% of his pension on 28th February 2018 and received Rs. 1,50,000.

Dearness allowance while in service, as per terms of employment – Rs. 2,000 p.m.
Compensation as per scheme received on retirement is Rs. 6,00,000.

Gratuity received – Rs. 1,50,000.

Leave salary encashment on retirement – Rs. 72,000.

Mr. Kincha has worked for 28 years and 4 months. Leave availed while in service is 19 months. The last increment received was in January 2014.

Compute taxable salary for the A.Y. 2018-19.

OR

- a) Explain the types of House Property and also the deductions allowed under **(08)**
section 24 for a let-out property.
- b) Explain the items of Income which are taxable under the head Income from **(08)**
other sources.

P.T.O.

- Q.3** The following is the profit and Loss Account of Shri. Jivajirao Shinde for the year (16)
ended 31.3.2017. Compute his business income.

Profit and Loss Account

Dr.	Rs.	Cr.	Rs.
To Salaries	33,000	By Gross Profit	1,60,000
To Advertisement	13,500	By Dividend received	6,000
To Printing and Stationery	4,500	By Bad debt recovered	2,000
To Bad debt	4,000	By House Rent	18,000
To R.D.D.	9,000	By Other Business income	18,000
To Donation	3,000		
To Interest on Loan	4,000		
To Telephone Expenses	3,750		
To Wealth-tax	4,500		
To Income-tax	7,500		
To LIC Premium	3,300		
To Loss on Sale of Machinery	4,500		
To Electricity Bill	2,700		
To Interest on Capital	8,000		
To Preliminary Expenses	5,000		
To Depreciation	9,500		
To Sales tax	5,250		
To Net Profits	79,000		
	2,04,000		2,04,000

Other Information

1. Salaries include Rs. 3,000 paid for domestic servant.
2. Telephone expenses include Rs. 750 for private purpose.
3. Total preliminary expenses is to be written off in 5 years (equal amount), amounting to Rs. 20,000.
4. Wealth tax includes Municipal tax on let out property.
5. Bad debt recovered includes the Bad debts allowed earlier.

OR

- a) Explain nature of income of charitable and religious trusts and institutions. (08)
- b) Explain the term 'Long term and short term capital gain.' (08)

- Q.4** Write short notes on the following. (Any Three) (12)

- a) Agricultural Income
- b) Rate of income tax
- c) Set off and carry forward of losses
- d) Education cess

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