

**M. COM. SEM - I (CHOICE BASED CREDIT SYSTEM) (2012  
COURSE) : WINTER - 2018  
SUBJECT: ELECTIVE-A GROUPS: ADVANCED ACCOUNTING-II**

Day: Tuesday  
Date: 16/10/2018

**W-2018-0410**

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

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**N.B:**

- 1) All questions are **COMPULSORY**.
  - 2) Figures to the right indicate **FULL** marks.
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**Q.1** Define and explain the following terms under the Income Tax Act. **(16)**  
**(ANY FOUR)**

- a) Person
- b) Deemed Income
- c) Assessment year and previous year
- d) Revenue expenditure
- e) Resident in India
- f) Charitable Purpose

**Q.2** Mr. Tax planner is employed in Weikfield Ltd., Pune. He receives the **(16)**

following emoluments during the P.Y. 2017-18. Basic salary Rs. 15,200 p.m. upto 31<sup>st</sup> October 2017 and Rs. 16,000/- p.m. from 1<sup>st</sup> November onwards.

(salary falls due for payment in the next month).

Dearness Allowance – 20% of Basic salary (part of salary). City compensatory allowance – Rs. 850/- p.m.

Uniform Allowance – Rs. 1,000/- p.m. But amount spent was Rs. 850/- p.m.

Children Education Allowance – Rs. 350/- p.m.

(He is having a daughter studying in College).

House Rent Allowance – Rs. 1,500/- p.m.

He contributes Rs. 3,000/- p.m. towards R.P.F. and an equal amount is contributed by the employer.

He is having a Motor Car with c.c. 1.5 liters which is used partly for official and partly for personal purpose. Petrol and other expenditure of the car amounting to Rs. 36,000/- is paid by employer. He has been given a gift voucher of Rs. 8,000/- on his birthday.

He paid Rs. 3,300/- as professional tax and Rs. 60,000/- as rent for his residence.

He acquired 1,000/- shares of the employer company under the ESOP scheme @ Rs. 45/- per share. These shares are listed in the Stock Exchange. The average of opening and closing price of shares on the date of exercise of the option was Rs. 70/-.

Company transfers Furniture at Rs. 20,000/-. The cost of the Furniture was Rs. 75,000/-. It was acquired on 1<sup>st</sup> May 2010 by the company and was sold to the assessee on 1<sup>st</sup> of August 2015.

Calculate his salary income for the A. Y. 2018-19

**OR**

- a) What is 'Agricultural Income'? Discuss taxability of agricultural Income. **(08)**
- b) Explain any eight fully Taxable Allowances. **(08)**

**P.T.O.**

Q.3

Mrs. Ratan is proprietor of a business. Her Profit and Loss Account for the year ending 31/3/2018 is as follows: (16)

**Profit and Loss Account**

Dr.		Cr.	
Particulars	Amount Rs.	Particulars	Amount Rs.
To Establishment Expenses	2,45,000	By Gross Profit	4,18,000
To Rent and Rates	48,000	By interest on government securities	7,000
General Charges	7,500	By Rent from House	96,000
House Hold Expenses	23,000	By dividend Received	15,000
Commission	18,000		
Allowance	4,000		
Provision for Bad debt	12,000		
Postage and Telegram	2,500		
Law Charges	7,500		
Advertising	15,800		
Gift (Personal)	1,200		
Fire Insurance	4,000		
Sales-tax	12,800		
Repairs and renewals	5,000		
Loss on sale of Motor car (Private)	2,500		
Life Insurance	4,000		
Donation to Rayat Shikhan Sanstha	10,000		
PPF	5,000		
Wealth Tax	3,000		
Interest on Capital	4,500		
Audit fees	5,000		
Interest on loan	7,000		
Depreciation	25,000		
Provision for Tax	15,000		
Net Profit	48,700		
	<b>5,36,000</b>		<b>5,36,000</b>

**Additional Information:**

- Actual bad debts amount to Rs. 5,000/-.
- Depreciation as per Income tax rules Rs. 24,000/-
- Advertising expenses include Rs. 10,000/- spent on special advertising campaign to open a new shop.
- Law charges are in connection with Trade mark.
- Mrs. Ratna carries on her business from rented premises. Half of which is used as her residence. Rent, rates and taxes include Rs. 8,000/- paid as rent. Calculate profit and gain of business of Mrs. Ratan for the A. Y. 2018-19

**OR**

- Explain annual value of house Property. State deductions from the net annual value U/S 24.
- What is 'Capital Gain'? State the various types of capital gain.

Q.4

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

(12)

- Set off any carry forward of losses
- Expressly allowed deductions under the head income from Business and Profession.
- Income from other source
- Assessee
- Rates of income tax