

T.Y.B.COM. SEM – V (2014 COURSE) : WINTER - 2017

SUBJECT : AUDITING AND TAXATION – I

Day : Wednesday
Date : 25/10/2017

Time : 03.00 PM TO 05.00 PM

W-2017-0287 Max. Marks : 40

N. B. :

- 1) All questions are **COMPULSORY**.
- 2) Figures to the right indicate **FULL** marks.
- 3) Use of non-programmable calculator is **ALLOWED**.

Q. 1 Define the following terms as per Income Tax Act: (10)

- a) Person
- b) Assesse
- c) Assessment Year
- d) Previous Year

OR

- a) State the taxation structure in India. (05)
- b) Describe the certain income which is not treated as agriculture income. (05)

Q. 2 Mr. Amit is employed in Ajanta Ltd., Pune as an Accountant. During the previous year 2016 -17 he has received following emolument: (10)

1	Basic Salary Rs. 12,500/- p. m.
2	D. A. 30 % of basic salary (applicable for retirement benefits)
3	City compensatory allowance Rs. 850/- p.m.
4	Children education allowance Rs. 300/- p. m. (Mr. Amit is having two sons and one daughter studying in the school)
5	H. R. A. Rs. 1,500/- p. m.
6	He contributed Rs. 2,000/- p. m. towards his Recognized Provident Fund and an equal amount is contributed by employer.
7	He has paid Rs. 2,500/- Professional Tax.
8	During the year, the interest credited to his R.P.F. A/c @ 12 % p. a. amounted to Rs. 14,400/-
9	He received Rs. 18,000/- by way reimbursement of the hospital bill in respect of his wife.
10	He has taken a Life Insurance Policy of Rs. 1,00,000/- in respect of his wife by paying an annual premium of Rs. 14,800/-
11	He stays in a rented house at Pune by paying rent Rs. 3,000/- p. m.

You are required to compute the taxable income from salary of Mr. Amit for the A. Y. 2017-18.

Q. 3 Explain the different types of audit. (10)

OR

- a) What is the use of Audit Note Book? (05)
- b) State the different types of errors. (05)

Q. 4 Write short notes on **ANY TWO** of the following: (10)

- a) Objectives of Income Tax
- b) Internal Check
- c) Tax Audit