

**M. COM. SEM - I (CHOICE BASED CREDIT SYSTEM) (2012
COURSE) : WINTER - 2017
SUBJECT : ELECTIVE – A GROUP : ADVANCED ACCOUNTING – II**

Day : Tuesday
Date : 31/10/2017

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

W-2017-0322

N. B. :

- 1) All questions are **COMPULSORY**.
- 2) Figures to the right indicate **FULL** marks.

Q. 1 Define and explain **ANY FOUR** of the following terms under the Income Tax (16)

Act:

- a) Person
- b) Capital Assets
- c) Assesse
- d) Non-Resident
- e) Deemed Income
- f) Capital and Revenue Expenditure

Q. 2 Mr. Manak, a director of Omega Co. Ltd., Delhi receives the following salary (16) perquisites from his employer.

Particulars	Rs.
Basic pay	16,000 p. m.
Profit bonus	18,000 p. a.
D. A. (enters into retirement benefit)	2,000 p. m.
Commission on sales 4 % of sales. Sales made by him	18,50,000
Advance salary for April to July	48,000
Employer's contribution towards R. P. F.	8,000 p.m.
Interest credited to R.P.F. @ 13 %	26,000
A rent free accommodation in Delhi. The rent of unfurnished house paid by the employer	84,000
Rent paid by the employer for the furniture	18,000
He has been provided with the services of a) Gardner b) Cook-Salary c) Watchman	2,000 p.m. 1,500 p.m. 4,000 p.m.
Mr. Manak's two children are studying (free) in the school run by the employer the cost of education in similar institution per student is	2,000 p.m.
Electricity bill paid by the employer	7,000
He has been provided with a car for personal use along with a driver. The cost of the car is	5,00,000
The salary of driver is paid by the company	3,000 p. m.
The maintenance expenses are paid by the employee.	--
The assessee is provided with free lunch during working days (in all 250 lunches at Rs. 70/- each)	2,750
He received by way of reimbursement of the hospital bill paid by the employer.	17,000
He paid professional tax	2,500 p. a.

Compute income from salary for the A. Y. 2016 – 17.

P. T. O.

OR

Q. 2 a) Explain the concept of Gratuity. (08)

b) Explain any seven items of income which exempted u/s 10 of the Income Tax Act. (08)

Q. 3 Mr. Raj Malhotra owned one residential house, sold for Rs. 18,80,000/- in October, 2013, which was actually purchased for Rs. 2,00,000/- in 1982-83. He spent Rs. 20,000/- for the construction of another room in 1984-85. Expenses incurred in the execution of sale deed were Rs. 10,000/- which were borne by him. Compute his taxable capital gain for assessment year 2015-16. (16)

The cost of Inflation Index in 1982 – 83 was 109.

The cost of Inflation Index in 1984 – 85 was 125.

The cost of Inflation Index in 2012 – 13 was 852.

The cost of Inflation Index in 2013 – 14 was 939.

The cost of Inflation Index in 2014-15 was 1024.

OR

Q. 3 a) What are the inadmissible expenses while calculating the income from Business or Profession? (08)

b) What are the essential conditions for exemption u/s 11 for charitable and other trusts? (08)

Q. 4 Mrs. Rama is the owner of a two storied house in Hyderabad. She gets a monthly rent of Rs. 7,000/- from her tenant in the ground floor. The first floor is identical in all respects. It is given on rent to her friend from whom she charged Rs.5,000/- p. m. as rent, the friend stayed up to 31/12/2015 on 1st January 2016 it was let-out to a tenant at a rent of Rs. 7,000 p. m. Municipal tax paid by her for the property was Rs. 10,000/- including Rs. 2,000/- for the next year i.e. 2016-17. The municipal value of the property is Rs. 2,00,000/- The standard rent is Rs. 1,80,000/- for the property. She paid interest on loan taken for the construction of the first floor Rs. 20,000/- in the P. Y. She incurred Re. 7,500/- as repair expenses. Compute the taxable income from house property of Mrs. Rama for the A. Y. 2016 – 17. (12)

OR

Q. 4 Write short notes on **ANY THREE** of the following: (12)

- a) Agricultural Income
- b) Deduction u/s 80 C
- c) Income from Other Sources
- d) Short Term and Long Term Capital Gains
- e) House Rent Allowance

* * * * *