

S.D.E.

T. Y. B. COM. (2008 COURSE) : WINTER- 2017

SUBJECT : AUDITING AND TAXATION

Day : Monday
Date : 23/10/2017

W-2017-3993

Time : 3.00 P.M. TO 6.00 P.M.
Max. Marks : 80

N. B. :

- 1) All questions are **COMPULSORY**.
- 2) Figures to the right indicate **FULL** marks.
- 3) Answers to both the sections should be written in **SAME** answer book.
- 4) Use of non-programmable calculator is **ALLOWED**.

SECTION – I

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

OR

Bhushan owns three houses for his residential purposes:

Particulars	House - I	House - II	House – III
Municipal valuation	82,000	50,000	70,000
Fair rent	75,000	60,000	65,000
Standard rent under Rent Control Act	70,000	70,000	65,000
Municipal taxes	8,200	6,000	7,000
Repairs	8,000	6,000	-

Ground rent is paid @ 10% of net annual value in respect of each house. Interest paid on capital borrowed for renewal of house property No. I and III amounting to Rs. 28,000/- and Rs. 32,000/- respectively. The loan was taken on 1st June, 2000.

You are required to determine taxable income from house property of Mr. Bhushan for the A. Y. 2017-18.

Q. 2 Write short notes on **ANY FOUR** of the following: **(16)**

- a) Scope of Income Tax
- b) Taxation Structure in India
- c) Assessment Year and Previous Year
- d) Meaning of Salary
- e) Types of Errors
- f) Internal Audit

P. T. O.

SECTION - II

- Q. 3** The following is the Profit and Loss Account for the year ending as on (16) 31st March, 2017 furnishes by Mr. Madhukar.

Profit and Loss Account for the year ended 31st March, 2017

Particulars	Rs.	Particulars	Rs.
To Salary	78,000	By Gross Profit	2,00,000
To Advertisement	8,000	By Sundry Receipt	8,400
To Fire Insurance	3,500	By Gift from Father	25,000
To Office Expenses	4,500	By Interest on Bank Deposit	6,000
To Depreciation	15,800	By Bad Debts Recovered(not allowed as deduction earlier)	5,400
To Bonus	12,800		
To Income Tax	8,600		
To Sales Tax	4,500		
To Interest on Bank Loan	5,600		
To R.D.D.	3,500		
To Net Profit	1,00,000		
Total	2,44,800	Total	2,44,800

Other Information:

- a) Salary includes Rs. 4,200/- paid to a domestic servant.
 - b) Advertisement includes Rs. 550/- as expenditure incurred for selling household furniture.
 - c) Allowable depreciation as per I. T. Rules is Rs. 14,400/-.
 - d) Sales tax includes Rs. 500/- as penalty for not filing returns in time.
 - e) Bank loan is taken for business purpose.
- You are required to compute taxable income from business for the Assessment year 2017-18 of Mr. Madhukar.

OR

- a) Explain the deductions and non-deductions under income from other sources. (08)
- b) Write a detailed note on Service Tax. (08)

- Q. 4** Describe the qualification and disqualification of a company auditor. (16)

OR

- a) Write a note on auditing of computerized accounts. (08)
- b) What do you mean by clean and qualified report? (08)

- Q. 5** Write short notes on **ANY FOUR** of the following: (16)

- a) Cost of Improvement under Capital Gain
- b) Types of Rents
- c) Long Term Gains
- d) Appointment of an Auditor
- e) Duties of an Auditor
- f) Audit Certificate

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