

3. (1) Answer Question No. 1.
 (2) Answer any **three** questions from remaining.
 (3) Figures to **right** indicate **full** marks.

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Dr. Brijesh Mohan has prepared the following Receipts and Payments A/c for year 21 ended 31 March, 2007

Receipts	Rs.	Payments	Rs.
To Balance	3,820	By Memberships fees	4,500
To Consultancy Fee	1,45,000	By Medical Books	17,500
To Visit Fee	72,000	By Salary	60,000
To Sale of House	1,70,000	By Rent	47,500
To Salary as Part Time Lecture	27,000	By Car Expenses	14,400
To Exam. Remu.	11,480	By Electricity	3,600
To Bank Interest	3,500	By Telephone	8,500
To Dividend from Co-op. Society	3,000	By Income Tax	8,000
		By Personal Expenses	36,000
		By Investment	80,000
		By Insurance Premium	6,000
		By Donation	22,000
		By Medical Instrument	60,000
		By Balance	67,800
	4,35,800		4,35,800

Additional Data

- (1) Rent and Electricity Expenses are related to a house, 50% is used for residential purpose.
 - (2) Car Expenses are allotted :
 Professional Use — 40%
 Attending College — 30%
 Personal Use — 30%
 - (3) Written Down Value of assets on 1-4-2006 were — Medical Instruments Rs. 90,000
 Car — Rs. 1,50,000
 - (4) Purchases during year :
 Books on 1-9-06,
 Medical Instruments on 1-11-06
 - (5) Rate of Depreciation are Instruments 25% ;
 Car 15% ; Books 40%
 - (6) Indexed cost of Acquisition of house sold during year is Rs. 98,000
 - (7) Insurance premium is for—
 Consultancy Room and Instruments Rs. 4,200
 Life Insurance Premium Rs. 1,800
 - (8) Salary received is net after deduction of Provident Fund Rs. 3,000/-
 - (9) Donation is given to approved hospital.
 - (10) Salary paid to Domestic Servant @ Rs. 1000/- p.m. and remaining to compounder.
- Compute Total Income and Tax payable.

M/s. Shastri Brothers is a partnership firm with Ravi, Vijay and Jayesh as partner 25 sharing profits and losses in ratio — 40% ; 30% and 30%. The capital is contributed by each partner equally. Ravi and Vijay are working partners entitled to remuneration per I.T. Act.

For year ended 31st March, 2007 net profit was Rs. 4,50,000/- This was arrived after debiting—

- (a) Rs. 1,65,000 interest on capital @ 22%
- (b) Rs. 3,00,000 remuneration to partner.
- (c) Rs. 1,20,000 income tax.

Compute income of firm and amount chargeable as income of each partner.

3. Define and explain (any five) – Five

- (a) Business
- (b) Capital Asset.
- (c) Person
- (d) Block of Asset
- (e) Assessee
- (f) Salary
- (g) Transfer.

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4. Mr. Malpani owns a building having three units of equal size.

For year ended 31st March, 2007, particulars are :

	Unit A	Unit B	Unit C
Fair Rent	60,000	60,000	60,000
Rent Received	—	72,000	—
Construction Cost	3,00,000	3,00,000	3,00,000
Nature of User	Residence	Let Out	Office for own business
Property Tax Paid	3,000	8,400	3,000
Repairs	4,800	7,500	6,000
Interest on Loan for construction	9,000	9,000	9,000

The business income for year was Rs. 2,40,000 without considering above expenses and depreciation @ 5%

He deposited Rs. 30,000 in Public Provident Fund and paid Rs. 10,000 as donation to a Trust. Compute Income and Tax Payable.

- 5. (a) Explain provisions relating to Assessment Year and Previous Year.
- (b) What are the provisions for computation of depreciation allowable.
- 6. Dr. Mrs. Sudha provides following details of her income for year ended 31st March, 2007.
 - (a) She is employed as Medical Officer in a Hospital. Her monthly Salary is Rs. 15,000/- p.m. Hospital deducted Rs. 1500/- p.m. for Provident fund Rs. 200/- p.m. for profession Tax as Rs. 500/- p.m. for Income tax.
 - (b) She is a partner in Sudha Nursing Home. As per agreement her account is credited with.
 - (i) Remuneration Rs. 66,000
 - (ii) Interest on Capital Rs. 18,000
 - (iii) Share of Profit Rs. 24,000
 - (c) She owns a building, which is let out on monthly rent of Rs. 10,000. During year she paid property tax Rs. 24,000. House is acquired by taking loan on which she paid interest Rs. 18,000
 - (d) Her investments are :
 - (i) 12% Debentures of face value Rs. 1,50,000
 - (ii) 13.5% Deposit in company Rs. 1,00,000
 - (iii) 1,000 -12% preference share of Rs. 10/- each
 - (iv) 5,000 Equity shares on which dividend @ Rs.18/- per share was paid by Company.
 - (e) She paid Rs. 21,600 Life Insurance premium and deposited Rs. 30,000 in public provident fund and invested Rs. 25,000 in N.S.C.

Compute her income and tax payable.

7. Explain the provisions relating to determination of –

- (a) Residential status of Individual.
- (b) Short term capital Gain long term Capital Gain
- (c) Clubbing of Income of Minor Child.

8. Write short notes on (any five) :-

- (a) Deductions from salary.
- (b) Deduction from Net Annual Value.
- (c) Deductions for Investments and payments u/s 80 c.
- (d) Preliminary expenses.
- (e) Mediclaim premium.
- (f) Deduction for physically Handicapped person.

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