

M.Com. - IInd Year (C.B.C.S. Pattern) Sem-III
PCC3C02 - Tax Procedure & Practices

P. Pages : 5

Time : Three Hours



GUG/S/19/10792

Max. Marks : 80

- Notes : 1. All questions are compulsory.
2. Each questions carry equal marks.

1. a) Explain deduction U/S 80C, 80CCF and Amount Available for deduction, also Explain Collection of Tax at Sources (T.C.S) **16**

OR

- b) Mr. Amit is the proprietor of Business. His P & L A/c for the year ended 31 March 2018 is as follows. **16**

| Particular | Rs. | Particular | Rs. |
|--|----------|----------------------------|----------|
| To Establishment, Rent, Rates | 14,640 | Gross profit | 3,01,680 |
| Taxes | 5,800 | Interest on Govt. security | 10,800 |
| Household Exp. | 1,03,460 | Rent from house property | 10,800 |
| Discount & Allowance | 900 | | |
| Provision for bad debts | 2,400 | | |
| Law charges | 900 | | |
| Advertising | 3,100 | | |
| Gifts | 300 | | |
| Fire Insurance | 720 | | |
| Sales Tax | 2,900 | | |
| Repairs & Renewals (not for Business premises) | 960 | | |
| Loss on sale of motor car | 3,600 | | |
| L. I.C. premium on life of Grandson | 3,580 | | |
| Wealth tax | 1,480 | | |
| Interest on capital | 700 | | |
| Audit fee | 600 | | |
| Interest on bank loan | 2,760 | | |
| Provision for depreciation | 5,000 | | |
| Provision for income tax | 7,800 | | |
| Net profit | 1,61,680 | | |
| Total | 3,23,280 | Total | 3,23,280 |

Following further information is Given,

- 1) Actual bad debts written off during the year Amount to Rs.1,100.
 - 2) Amount of Income Tax Actually paid during the year is Rs. 8,400.
 - 3) Depreciation Allowable is Rs.3,400 as per Income tax Rules.
 - 4) Advertising expenses include Rs.1,100 spent on special Advertising campaign to open a new shop in the market.
 - 5) Law charges are in connection with a trademark.
 - 6) Mr. Amit carries on his business from rented premises, half of which is used as his residence.
 - 7) Rent, Rates & taxes include Rs.2,400 paid as a rent of the premises during the year.
- Compute the Business Income of Mr. Amit for the A. Y. 2018-19.

2. a) Discuss the following statement 16
- i) "Tax planning is a legal and moral way of tax".
 - ii) "Tax evasion is a illegal by Income Tax Act".

OR

- b) Raj Ltd, a closely held Indian company, is Engaged in the business of manufacture of paints in India. A Profit or Loss Account for the ending 31-03-2018 is given below: 16

Profit and Loss Account

(Rs. in Lakhs)

| Particular | ₹ | Particular | ₹ |
|-----------------------------|--------------|--|--------------|
| Salary and wages | 7.50 | Sales | 48.00 |
| Postage and telegrams | 0.40 | Amount withdrawn from general reserve | 3.00 |
| Travelling and conveyance | 0.50 | | |
| Depreciation | 5.00 | | |
| Income Tax | 4.00 | | |
| Wealth Tax | 0.10 | | |
| Excise duty due | 1.00 | | |
| Provision for future losses | 0.60 | | |
| Proposed dividend | 0.80 | | |
| Loss of subsidiary company | 0.50 | | |
| Audit fee | 0.25 | | |
| Directors Remuneration | 8.00 | | |
| Deferred Tax liability | 1.35 | | |
| Net profit | 21.00 | | |
| Total | 51.00 | Total | 51.00 |

Additional Information:

- 1) The excise duty due on 31-3-2018 was paid on 2-12-2017.
- 2) Custom duty of ₹ 1,20,000 was due on 31-3-2016 was paid during the Financial year 2017-18.
- 3) Depreciation as per Income Tax is ₹11.43 lakhs.
Compute total Income of the Raj Ltd for the Assessment Year 2018-19.

3. a) A, B & C are partner's in a firm assessed as firm sharing profits and losses in the preparation of 3:2:1. 16

The firm's profit & loss A/c for the year ended 31st March, 2018 showed a Net profit of Rs.1,17,360 after debiting the following account.

- 1) Salary of Rs.4,000 paid to C.
- 2) Rent of Rs. 9,000 paid to A for the portion of Building owned by A in which the firm's office was situated.
- 3) Interest on capital @ 10% is Rs.1,000. Rs. 2,000 and Rs.3,000 to A, B and C respectively.
- 4) Commission on sale to B, Rs. 1,000
- 5) Expenses on current repairs of the Business premises belonging to partner A, Rs.1,000.
- 6) Donation to approved bodies Rs.5,000

The Net profit of Rs. 1,17,360 included Rs.10,400 from interest on Government securities. Compute firm's Total Income for he Assessment year 2018-19. The deed was submitted along with return and it provides for salary to C Rs. 4,000 P.A. and Interest on capital to partners @ 10% P.A. also compute partner's Income changeable to tax.

OR

- b) CA Jay Parikh a chartered Accountant (Carrying on the practice Since 2016) decided to transfer his practice to SML Co. a partnership firm. He transferred his entire practice as going concern along with the right to carry on the profession and all the clients to them for a consideration of ₹ 1.2 crore and goodwill of his firm for a consideration of ₹ 10 lakhs. Determine the tax implications in the hands of CA Jay Parikh. Compute total tax payable. **16**
4. a) ABC Advertising agency provides the following services for the year ended 31-3-2018 **16**
- 1) Sale of time for Arial Advertising to ABC Ltd ₹ 15 lakhs
 - 2) Sale of time slot for advertisement to be broadcast on television ₹ 9 lakhs
 - 3) Charges for preparation of Advertisement for Reliance Communication ₹ 10 lakhs
 - 4) Sale of space for Advertisement in public place ₹ 40 lakhs.
 - 5) Commission charges for canvassing Advertisement ₹ 5 lakhs.
 - 6) Sale of time slot for Advertisement on radio ₹ 2 lakhs
- Compute the value of service Tax and service tax payable thereon.

OR

- b) Compute taxable value of a courier agency from following calls sums exclusive of taxes, for the A. Y. 2018-19. **16**
- 1) Door – to – Door transportation of time-sensitive documents ₹ 6 lakh.
 - 2) Door – to – Door transportation of goods ₹ 8 lakh
 - 3) Express cargo service ₹ 8 lakh
 - 4) Angadia Services ₹ 5 lakh
 - 5) Courier from clients in India to be sent outside India ₹ 8 lakh
 - 6) Time sensitive documents supplied by customer by coming agency's office and, then transported to other various places ₹ 5 lakh
 - 7) Booking of post /parcels from Jammu and Kashmir's residents to other part of India ₹ 3 lakh
5. Write short answer:
- a) Tax Deducted at Source (TDS). **4**
 - b) Basic concept of VAT. **4**
 - c) Define : **4**
 - i) Long – term capital Assets
 - ii) Short – term capital Assets.
 - d) Basic concept of service Tax. **4**

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- सूचना :- 1. सर्व प्रश्न अनिवार्य आहेत.
2. सर्व प्रश्नांना समान गुण आहेत.

1. अ) कलम 80(C), 80 (CCF) नुसार लाभांशाची कपात स्पष्ट करा आणि कर संचित स्रोत (T.C.S.) स्पष्ट करा. 16

किंवा

ब) इंग्रजी माध्यमानुसार. 16

2. अ) खालील विधान स्पष्ट करा. 16

- 1) "कर नियोजन कर वाचविण्याचे एक वैधानिक आणि नैतिक मार्ग आहे.
2) "कर चोरी कर वाचविण्याचे एक असंवैधानिक मार्ग आहे आयकर अधिनियम नुसार.

किंवा

ब) इंग्रजी माध्यमानुसार. 16

3. अ) इंग्रजी माध्यमानुसार. 16

किंवा

ब) इंग्रजी माध्यमानुसार. 16

4. अ) इंग्रजी माध्यमानुसार. 16

किंवा

ब) इंग्रजी माध्यमानुसार. 16

5. थोडक्यात उत्तरे लिहा. 4

अ) उगमस्थानी कर कपात. 4

ब) व्हॅटची (VAT) मूलभूत संकल्पना. 4

क) स्पष्ट करा. 4

1) दीर्घकालीन भांडवल मालमत्ता.

2) अल्पकालीन भांडवल मालमत्ता.

ड) सेवा कर मूलभूत संकल्पना. 4

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- सूचनाएँ :- 1. सभी प्रश्न अनिवार्य हैं।
2. सभी प्रश्नों के अंक समान हैं।

1. अ) धारा 80(C), 80 (CCF) के अनुसार लाभांश कटौती और कर वसुल साधन (T.C.S.) विवरण करें। 16
- अथवा**
- ब) अंग्रेजी माध्यम के अनुसार। 16
2. अ) इस कथन को समझाइए। 16
- 1) “कर नियोजन, कर बचाने का एक वैधानिक एवं नैतिक तरीका है।
2) “कर चोरी, कर बचाने का एक गैरकानूनी तरीका आयकर अधिनियम के तहत है।
- अथवा**
- ब) अंग्रेजी माध्यम के अनुसार। 16
3. अ) अंग्रेजी माध्यम के अनुसार। 16
- अथवा**
- ब) अंग्रेजी माध्यम के अनुसार। 16
4. अ) अंग्रेजी माध्यम के अनुसार। 16
- अथवा**
- ब) अंग्रेजी माध्यम के अनुसार। 16
5. संक्षिप्त उत्तर लिखिए।
- अ) उगमस्थानपर कर कपात। 4
- ब) वैट (VAT) की मूल अवधारणा। 4
- क) परिभाषा 4
- 1) दीर्घकालीन पूंजीगत सम्पत्ती।
2) अल्पकालीक पूंजीगत सम्पत्ती।
- ड) ‘सेवा कर’ की मूल अवधारणा। 4
