

SECTION-B

- 2) Discuss various expenses which are expressly allowable under sections 30-37 of Income tax Act while computing income under the head profit and gains of business or profession.
 - 3) Explain the circumstances under which the income of any other person can be clubbed with the income of assessee under Income tax Act, 1961.
 - 4) Explain the deductions under sections 80C and section 80G as given under Income tax Act, 1961.
 - 5) What is Residential Status? Explain the provisions to determine residential status of an individual as given under Income Tax Act, 1961. Explain the incidence of tax liability.
 - 6) i) Mr. B an employee working in D Ltd (Mumbai) has furnished the following particulars of his salary. Calculate his salary income for the previous year 2012-13.
 - a. Basic salary Rs 20,000 p.m. [due on the last day of the month].
 - b. D.A 80% of salary [50% of D.A forms part of salary].
 - c. Bonus — one month basic salary.
 - d. Commission - Rs 66,000. a2zpapers.com
 - e. Entertainment Allowance - Rs 20,000
 - f. Helper Allowance Rs 1500 p.m. he has engaged a helper at Rs 1,200 p.m. for the performance of official duties.
 - g. Reimbursement of medical bills Rs 75,000
 - i. in a notified hospital Rs 22,000 (for notified disease).
 - ii. in a private hospital Rs 53000
 - h. Mobile telephone bill for official use paid by his employer Rs 15,000.
 - i. Professional tax paid by employer Rs 2,500.
 - j. He and his employer contribute Rs 3,200 p.m each towards RPF.
 - k. Interest credited on the accumulated balance of RPF @ 10% is Rs 2000.
 - l. He received Rs 20,000 as leave travel concession but has not travelled anywhere.
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- m. He is provided with free use of car of 1.8 lt .capacity which is partly used for personal and partly for employment purposes, all expenses are met by the employer which amounts to Rs.75000 during the year
- n. He is provided with a rent free house owned by employer (FRV of which is Rs. 8,000 p.m) Cost of furnishing is Rs 100000 along with facility of gardener costing employer Rs 6,000 p.a.
- o. His personal club bills paid by the employer Rs 25,000 p.a.
- p. LIC premium on his life paid by the employer Rs 5,000.
- 7) Compute income from house property of Mr. A if he owns two independent units having 2/3 and 1/3 area.

Date of completion 1-11-2007

MRV Rs. 1,92,000

FRV Rs. 1,68,000

Self occupied 2/3 portion

Let out 1/3 portion

(let out from 1-4-2012 to 31-08-2012 @ Rs 14400 p.m and self occupied from 1-9-2012 onwards)

Municipal taxes Rs 12000 p.a

Fire insurance premium Rs 4000 p.a

Ground rent Rs 8000 p.a

Interest on loan Rs 15000