

LTAB02

Total No. of Questions: 7 (Section A + B)

Total No. of printed pages: 4 (Section A + B)

Maximum Marks: 60 (A + B) Section - A (30 marks)

Duration (hrs): 3 hours

Note: Section A and B to be solved on separate Answer Book.

Section I: Indirect Tax - (10 marks)

QI: Define: (Attempt any 2)

- I. Dealer under Central Sales Tax Act, 1956
- II. Goods under Maharashtra Value Added Tax Act, 2002
- III. Manufacture under Central Excise Act, 1944
- IV. Sales Price under Maharashtra Value Added Tax Act, 2002

Section II: Direct Tax - (20 marks)

QII: (Attempt Any 2)

- (i) Mr. Raghuvir, a retired person gives you the following information about his investments and income for the year ended March 31, 2008:
- a) Interest on Government securities Rs.12500
 - b) Savings bank interest Rs.3450
 - c) Fixed Deposit with HDFC Ltd. Placed 2 years back Rs.300000 with interest @ 9% per annum
 - d) Family pension received from employer of his deceased father Rs.4500 per month from April to September and Rs.5200 from October to March
 - e) Rent from sublet of one third of residential house @ Rs.1000 per month where rent paid by Raghuvir is Rs.1500 per quarter
 - f) Prize for winning crossword puzzles Rs. 30500
 - g) Lottery Rs.14500

: 2 :

- h) 500 equity shares of Rs.100 each of XYZ Ltd. The company declared dividend of 15% during the year
- i) Donation to ABC Trust Rs.5000, an approved institution
- j) PPF deposit Rs.70000, Life Insurance Premium Rs.20000

You are required to compute the taxable income of Raghuvir for the FY 2007-08

(10 marks)

(ii)(a) Shri. Ramnath is a teacher in Shivajiraje College of Commerce and he has given you the following information about his income for the FY 2007-08 for computation of his gross total income

- Salary Rs.80000 per month
- Honorarium from Mumbai University Rs.84000 out of which 20% was spent in incidental expenses
- Examinership fees Rs.28500
- Dividend from Companies Rs.78000
- Dividend from UTI Rs.5000
- Interest from Bank Rs.5200
- Amount received from private tuition Rs.30000 of which 20% was spent on conveyance from residence to place of tuition

(5 marks)

(b) Shri. Yogesh is a professor at a college in Cochin. You are required to compute his taxable income from salary for the FY 2007-08 based on the following information:

- Salary Rs.80000 of which Rs.6500 was received in April 2008
- Arrears of Salary Rs.25000
- Bonus 25% of salary

: 3 :

- LTA received Rs.20000, actual expenses Rs.15000
- Rs.13500 received for paper setting and correction
- Leave Encashment Rs.16500
- Profession Tax Rs.1800

(5 marks)

(iii) (a) From the following information submitted by Mahesh, you are required to compute his income from house property

- He owns 3 houses in Mumbai of which 1 is SOP and the other 2 are let out
- He gets a rent of Rs.30000 and Rs.50000 per annum from LOP 1 and LOP 2 respectively
- Municipal tax paid on all 3 houses is Rs.1000 per annum
- Interest on mortgage loan is Rs.1000
- Insurance premium for the SOP is Rs.350, LOP1 Rs.400, LOP Rs.500
- Mahesh is settled in Udaipur where he works and stays in a rented house over there
- The reasonable let out value of SOP is Rs.6000, LOP1 Rs.36000 and LOP2 Rs.45000
- Mahesh stayed in SOP for 3 months during the year when he was on leave at Mumbai
- Mortgage loan was not taken for the construction of any of the properties currently owned by Mahesh

(5 marks)

(b) Please mention the conditions to be satisfied by an individual for determining his residential status for Income Tax computation purposes (i) Resident (ii) Non Resident (iii) Resident nor ordinarily resident

(5 marks)

: 4 :

Section - B

Marks : 30

All questions carry equal marks. Solve any three questions.—

- Q.1 Define consideration and explain the concept "No consideration no contract".
- Q.2 State how and when property in the goods passes to the buyer.
- Q.3 Define company and state when corporate veil can be lifted.
- Q.4 Define unfair trade practice and Restrictive trade practice as per MRTP and CPA
- Q.5. Define promissory note, Bill of Exchange and Cheque and state essentials of a valid Negotiable Instrument.

= x o x =