VED – 16

B.Com. (Semester – V) Examination, October 2012
INCOME TAX, SERVICE TAX AND GOA VALUE ADDED TAX (Paper – I)
(Accounting Major 2)

Duration: 2 Hours | Max. Marks: 80

Instructions: *i) Question No. **1** is **compulsory**.*
*ii) Answer **any 3** questions from the remaining questions.*
*iii) **Show** important **working notes** as **fair** work.*
*iv) Figures to the **right** indicate marks **allotted**.*

1. A) 'Mr. Armstrong' was born in undivided India on July 5, 1945. He has settled down in USA since 1995. He came to India on January 1, 2008 and started working in a foreign company in Goa. He went to USA on March 31, 2009 and came back to India on April 1, 2010. He went to Mexico on April 30, 2011 and returned to India on November 1, 2011 and started working again.
Determine his residential status for the Assessment Year 2012-13. **5**

B) 'Miss. Bulbul' is posted as a senior executive of 'Parinda Airlines', in Goa. She provides the following particulars for the assessment year 2012-13 :

Basic salary ₹ 70,000 per month.

Dearness allowance ₹ 42,000 per month.

House rent allowance ₹ 20,000 per month.

Arrears of salary on account of promotion ₹ 80,000.

Advance salary ₹ 2,00,000 taken to meet the expenses of her wedding.

She paid rent of ₹ 18,000 per month for a house at Calangute from 1st May, 2011 to 31st December, 2011. Thereafter, she got married to her boss and started staying with him.

Dearness allowance is considered for calculating all retirement benefits.

Compute the amount of her taxable House Rent Allowance. **5**

C) 'Mr. White Negro' is engaged in the business of carriage of goods in India. As on 1st April, 2011, he owned 8 goods carriages (including 5 heavy goods carriages). On 31st August, 2011, he sold one heavy goods carriage and on 21st October, 2011 he purchased two new light goods carriages. The heavy carriage which was sold, was involved in an accident and was not used by him for two months before sale.
Ascertain his income under Section 44AE for the Assessment Year 2012-13. **5**

P.T.O.

D) 'M/s Rachana & Sisters', is a newly set up service agency in India during the financial year 2012-13. Following are the dates of billing/receipts towards the gross amount charged by them for services rendered to different clients till September 30, 2012 :

Date of Billing/ Receipt	Name of Client	Amount ₹
5-04-2012	Gudguli Ltd.	2,00,000
11-05-2012	Bahubali Traders	6,00,000
15-06-2012	International Labour Organisation	3,00,000
20-06-2012	Gajanan Industries Ltd.	1,00,000
5-07-2012	International Monetary Fund (IMF)	2,70,000
16-08-2012	World Health Organisation (WHO)	1,90,000
26-08-2012	Tragedy-Kings Pvt. Ltd.	1,00,000
21-09-2012	Bahubali traders	1,50,000
30-09-2012	Bank of Baroda	1,05,000

Determine the dates as to when 'M/s Rachana & Sisters' would become due for registration and due for payment of service tax. Also ascertain the Aggregate Value of Taxable Services till Sept. 30, 2012. **5**

2. 'Mrs. Ghatna', a Government employee, residing at Majorda, furnishes the following particulars of her income for the year ending on 31st March, 2012 :

- Basic salary : i) From April to Dec. 2011 ₹ 42,000 per month
  ii) From January to March, 2012 ₹ 45,000 per month.
- Dearness Allowance 52% of basic.
- City Compensatory Allowance ₹ 5,000 per month.
- Compensation received for modification of terms of employment ₹ 1,00,000.
- Employer's contribution towards Statutory Provident Fund ₹ 89,000
- Entertainment Allowance granted ₹ 1,500 p.m. (utilised ₹ 1,000 p.m.)
- Transport Allowance ₹ 2,000 per month (utilised ₹ 1,900 per month).
- House Rent Allowance granted ₹ 4,500 p.m. (HRA exempt being ₹ 30,000).
- Children Education and Hostel Expenditure Allowance ₹ 480 p.m. for two children.
- Employer reimbursed expenditure of ₹ 18,000 incurred by the assessee for her own medical treatment in a private hospital.
- The assessee had borrowed ₹ 5,00,000 during the year from the employer for purchase of car, the interest on which came to ₹ 20,000.