

SUNDARBAN MAHAVIDYALAYA
C.U. B.COM.SUPPLEMENTAL EXAMINATION 2020
SEMESTER – V
TAXATION-II (CC5.2CH)
FULL MARKS: 50 TIME: 2 HRS.

Answer any two questions

(2x25=50)

1. Mrs. Mitra attains the age of 60 years on 26.10.2019. From the following information compute total income and tax payable by Mrs. Mitra relating to the previous year 2019-20.

- i) Pension Rs. 20,000 per month
- ii) Dividend from TATA Motors Rs. 14,000
- iii) Dividend from ZTE Telecommunications (a foreign company) Rs. 1,95,000
- iv) Agricultural income from Bangladesh Rs. 56,000
- v) Interest from bank fixed deposit Rs. 90,000
- vi) Winning from lottery (net) Rs. 34,400 (Tax Deducted at source @ 31.2%)
- vii) Interest from Govt. Securities Rs. 50,000

Mrs. Mitra has made the following payments during the previous year 2019-20:

- i) Premium on Life Insurance (own life) paid Rs. 24,000 (Policy value Rs. 2,00,000)
- ii) Medical premium on son's health Rs. 6,000
- iii) Paid Rs. 20,000 to Rama Krishna Mission
- iv) Paid Rs. 15,000 to Prime Minister's National Relief Fund
- v) Incurred Rs. 30,000 for treatment of dependent father aged 88 years old suffering from cancer

2. The profit and loss of M/s X and Y, (a PFAS), a retail cloth merchant, for the year ending 31st March, 2020 is given as under:

| Particulars | Rs. | Particulars | Rs. |
|-------------------------------|-----------|----------------------------------|-----------|
| To Opening Stock | 1,80,000 | By Sales | 20,00,000 |
| ~ Purchases | 11,00,000 | ~ Rent from house property | 40,000 |
| ~ General expenses | 2,00,000 | ~ Dividend from Indian companies | 10,000 |
| ~ Remuneration to partners | 2,00,000 | ~ Closing stock | 2,00,000 |
| ~ Interest to partners | 90,000 | | |
| ~ Municipal tax paid | 4,000 | | |
| ~ Sundry expenses | 26,000 | | |
| ~ Net Profit: | | | |
| X 3,00,000 | | | |
| Y 1,50,000 | 4,50,000 | | |
| | 22,50,000 | | 22,50,000 |

Other information:

- i) General expenses include salary paid to the brother-in-law of X, which, in the opinion of the Assessing Officer, is excessive to the extent of Rs. 15,000.
- ii) Sundry expenses include Rs. 5,000 being provision for bad and doubtful debts.
- iii) Sales tax amounting to Rs. 75,000 was paid on 10th April, 2018 and not debited to the profit and loss account

iv) Capital of X and Y was Rs. 4,00,000 and Rs. 2,00,000 respectively and they share profit and loss in the ratio of 2:1

v) Interests and remunerations are paid to the partners in accordance with the provisions of the partnership deed.

From the above particulars, you are required to compute:

a) Book-profit of the firm

b) Interest on capital allowable as per Income-tax law, and

c) Remuneration to partners as per Income-tax law. X and Y are working partners in the firm.

3. Mr. Ajay, a registered supplier of goods, pays GST under regular schemes and provides the following information for the month of August 2019:

| Particulars | Rs. |
|---------------------------------------|-----------|
| Inter-State taxable supply of goods | 10,00,000 |
| Inter-State taxable supply of goods | 2,00,000 |
| Intra-State purchase of taxable goods | 5,00,000 |

He has the following input tax credit at the beginning of August 2019:

| | Rs. |
|------|--------|
| CGST | 20,000 |
| SGST | 30,000 |
| IGST | 25,000 |

Rate of CGST, SGST and IGST: 9%, 9% and 18% respectively. Both outward and inward supplies of goods are exclusive of taxes. All the conditions necessary for availing the ITC have been complied with.

Compute net GST payable by Mr. Ajay for the month of August 2019.

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