

Total No. of Questions—7]

[Total No. of Printed Pages—4

Seat No.	
-------------	--

[5385]-1

P.G. DIPLOMA IN TAXATION EXAMINATION, 2018

Paper I

FINANCIAL ACCOUNTING

Time : Three Hours

Maximum Marks : 100

N.B. :— (i) Question No. 7 is compulsory. Out of the remaining attempt any *four* questions.

(ii) *All* questions carry equal marks.

(iii) Figures to the right indicate full marks.

1. Explain 'Book-keeping' and state the difference between Book-keeping and Accountancy. [20]
2. Explain the classification of accounts. [20]
3. What is subsidiary book ? Explain the various types of subsidiary books. [20]
4. Write short notes on (any 4) : [20]
 - (a) Journal
 - (b) Income and expenditure account
 - (c) Accrual Concept
 - (d) Depreciation
 - (e) Admission of partner.

P.T.O.

5. Prepare bank reconciliation statement from the following particulars as on 30.06.2015 : [20]

- (i) Bank Pass Book showed a balance of Rs. 9,214
- (ii) Bank credited the sum of Rs. 1,650 by mistake
- (iii) Cheque of Rs. 4,500 issued on 29.06.2015 but presented for payment on 02.07.2015.
- (iv) As per standing instruction, Bank transferred Rs. 950 to our Loan A/c.
- (v) A cheque of Rs. 600 received, deposited and credited by Bank, was wrongly recorded in cash column in the Cash Book.
- (vi) Cheques up to Rs. 8,500 were deposited in June but cheques up to Rs. 6,000 were cleared by Bank.

6. The following is the Balance sheet of Minu, Sinu and Ritu who were sharing profits and losses in proportions of their capitals :

Balance Sheet as on 31/03/2015

Liabilities	Amt (Rs)	Assets	Amt (Rs)
Capital accounts :		Plant and Machinery	20,000
Minu	50,000	Land and Building	55,000
Sinu	20,000	Stock	12,000
Ritu	30,000	Sundry Debtors	12,000
Sundry creditors	15,000	<i>Less</i> : RDD	1,000
		Cash in hand	17,000
	1,15,000		1,15,000

Ritu retires from the business on 31/03/2015 and the following adjustments were agreed to :

- (1) The stock is to be valued at 92% of its book value.
- (2) RDD is to be maintained at 10% on Sundry Debtors.

- (3) The value of Land and Building be appreciated by 20%.
- (4) The goodwill of the firm be fixed at Rs. 12,000 and Ritu's share in the same be adjusted in the account of continuing partners in gain ratio.
- (5) The entire capital of New firm be fixed at Rs. 1,60,000 between Minu and Sinu in proportion to their new profit sharing ratio which is fixed as 3 : 1 by making adjustment for difference in cash.

Prepare Profit and Loss Adjustment A/c., Partners Capital A/c., and Balance Sheet after retirement of Ritu. [20]

7. From the given Trial Balance of Mr. Vijay Chavan, you are required to prepare Trading and Profit & Loss Account for the year ended 31st March, 2015 and Balance Sheet as on that date : [20]

Trial Balance as on 31st March, 2015

Particulars	Dr. Amt (Rs)	Particulars	Cr. Amt (Rs)
Bad debts	300	Bank Overdraft	2,000
Bills receivable	1,200	Capital	50,000
Building	40,000	Commission	900
Drawings	5,000	Outstanding wages	1,000
Fuel, Coal and Water	2,500	RDD	400
Furniture	6,000	Sales	61,000
General expenses	1,500	Sundry creditors	20,000
Insurance	400		
Office rent	600		

Opening stock	10,000	
Prepaid salaries	1,200	
Purchases	35,000	
Salaries	4,000	
Sales returns	2,000	
Stationery	1,300	
Sundry debtors	22,600	
Trade expenses	200	
Wages	1,500	
	1,35,300	1,35,300

Adjustments :

- (1) Closing stock was valued at Rs. 18,400
- (2) Depreciate Building by 5% and Furniture by 10% P.A.
- (3) Write off bad debts Rs. 600 and create RDD at 5% on Sundry debtors.
- (4) Commission of Rs. 300 were earned but not received.
- (5) On 31st March 2015, stock of stationery in hand was of Rs. 300
- (6) Goods of Rs. 500 were distributed as free samples.

Total No. of Questions—7]

[Total No. of Printed Pages—2

Seat No.	
-------------	--

[5385]-2

P.G.D.I.T. EXAMINATION, 2018
DIRECT TAXES-STRUCTURE AND PROCEDURE
Paper II

Time : Three Hours

Maximum Marks : 100

- N.B. :—** (i) Question No. 7 is compulsory.
(ii) Attempt any *four* questions from the remaining.
(iii) *All* questions carry equal marks.

1. What do you mean by Income Tax ? Explain various types of Taxes in India.
2. Write short notes on :
 - (a) Heads of Income
 - (b) Deemed Assessee
 - (c) Resident
 - (d) Previous Year.
3. Explain the provisions of registration under Professional Tax Act, 1975.
4. Explain any *ten* types of exempted Income under Income Tax Act, 1961.

P.T.O.

5. Explain the concept of agricultural income under Income Tax Act, 1961.

6. (a) What are the taxable wealth under Wealth Tax Act.
(b) What are the exempted capital assets under capital gain ?

7. Explain in detail the provisions of calculation of income from house property.

Total No. of Questions—5]

[Total No. of Printed Pages—5

Seat No.	
-------------	--

[5385]-3

P.G. DIPLOMA IN TAXATION EXAMINATION, 2018
DIRECT TAXES – STRUCTURE AND PROCEDURE
Paper III

Time : Three Hours

Maximum Marks : 100

N.B. :— (i) *All* questions are compulsory.

(ii) *All* questions carry equal marks.

1. Explain the term ‘Gross Total Income’ and deduction to be made applicable to individuals from Gross Total Income. [20]

[Chapter VI Deductions.]

Or

Explain the term ‘Allowances’ and state the various allowances which are fully and partly taxable. Also explain in brief the exempted or tax free allowances.

2. Write short notes on (any *four*) : [20]

(i) Taxable Perquisites (salary income)

(ii) Annual value (house property income)

(iii) Deductions expressly allowed (Business income)

(iv) Capital Asset

(v) Set off and carry forward of losses

(vi) Chargeability and deductions (income from other sources)

P.T.O.

3. Mr. Ankush is a general manager of a textile company of Pune. He has submitted the following particulars of his income for the financial year 2016-17 :

- (i) Basic salary Rs. 50,000 p.m.
- (ii) D.A. @ 40% of salary (However, D.A. to the extent of 10% of salary is applicable for retirement benefits)
- (iii) Company pays him at 3% commission on total sales Rs. 10,00,000.
- (iv) Entertainment allowance Rs. 1,000 p.m.
- (v) Travelling allowance for his official tours Rs. 50,000 (Actual expenditure on tours amounted to Rs. 40,000)
- (vi) He contributes to RPF @ 15% of his salary and his employer contributes equal amount.
- (vii) The assessee's two children are studying in the school run by the employer. The cost of education is Rs. 1500 p.m. per student. The cost of education in similar institution per student is Rs. 1000 p.m.
- (viii) He provided a furnished house at Pune for which he pays rent Rs. 5,000 p.m. The cost of furniture provided to him is Rs. 1,50,000.
- (ix) Electricity bill paid by employer Rs. 3,000 p.m.
- (x) He received Rs. 18,000 by way of reimbursement of the hospital bill by the employer.

He paid professional tax Rs. 2,250 p.a.

The company has provided him a 1.8 cc car for official as well as private purpose. Running and maintenance expenses are borne by the employer.

Compute his taxable income from salary for A/Y 2017-18 and I-tax thereon. [20]

4. Mr. Atul owns three houses for his residential purposes. The following are the details of these houses.

Particulars	House-I	House-II	House-III
	Rs.	Rs.	Rs.
Municipal valuation	82,000	50,000	70,000
Fair rent	75,000	60,000	65,000
Standard rent (under Rent Control Act)	70,000	70,000	65,000
Municipal taxes	8,200	6,000	7,000
Repairs	8,000	6,000	

Ground rent is paid @ 10% of Net annual value in respect of each house. Interest paid on capital borrowed for renewal of house property No. I and III amounting to Rs. 28,000 and Rs. 12,000 respectively. The loan was taken on 1st June 2000.

You are required to determine taxable income from House-property of Mr. 'Atul' for the assessment year 2017-18 and I-tax thereon. [20]

Or

Mr. Laxmanrao purchased a house-property for Rs. 3,00,000 on 1st May 1975. The following expenses are incurred by him for making addition and alteration to the house property.

- (i) Cost of construction of first floor in 1979-80 Rs. 3,60,000.
- (ii) Cost of construction of second floor in 1984-85 Rs. 4,40,000.
- (iii) Renovation of the property in 1997-98 Rs. 1,50,000.

Fair market value of the property on 1st April 1981 is Rs. 7,20,000.

The house property was sold in November 2016 for Rs. 1,26,50,000 by incurring expenditure of Rs. 1,50,000 on transfer. The cost of inflation index for 1981-82, 1984-85, 1997-98 and 2016-17 were 100, 125, 331 and 1081 respectively.

Compute the taxable capital gain for assessment year 2017-18.

5. Profit and Loss account of Mr. Ramesh for the year ended 31st March 2017 is as follows :

Profit and Loss A/c for the year ended 31-3-2017

Particulars	Rs.	Particulars	Rs.
To Salary	1,25,000	By Gross profit	3,00,000
To General expenses	12,500	By Commission	30,000
To Conveyance	1,250	By Sundry receipts	3,000
To Postage	125	By Gift from a friend	12,000
To Depreciation	25,000	By Interest on	
To Computer		fixed deposit	23,075
stationery	2,500	By bad debts	
To Construction		recovered	10,000
on canteen	15,700		
To Donation to			
educational institute	10,500		
To Sales tax	25,000		
To R.D.D.	2,500		
To Net Profit	1,58,000		
	3,78,075		3,78,075

Additional Information :

- (i) Salary includes Rs. 12,500 paid to Mr. 'Ramesh'.
- (ii) General expenses include Rs. 5,850 as gift given to a friend in his marriage ceremony.
- (iii) Depreciation allowed as per income tax rule is amounted to Rs. 22,000.
- (iv) Sales tax include Rs. 2,500 as penalty for evasion of sales tax.

Compute taxable income of Mr. Ramesh for the A/Y-2017-18 and I-tax thereon. [20]

Total No. of Questions—7]

[Total No. of Printed Pages—4

Seat No.	
-------------	--

[5385]-4

P.G. DIPLOMA IN TAXATION EXAMINATION, 2018
INDIRECT TAXES—STRUCTURE AND PROCEDURE

(Central Excise and Service Tax)

Paper IV

Time : Three Hours

Maximum Marks : 100

N.B. :— (i) Q. Nos. 6 and 7 are compulsory.

(ii) Attempt any *three* questions from Q. No. 1 to Q. No. 5.

(iii) Figures to the right indicate full marks.

1. When is it obligatory to get registered under Central Excise Act 1944 ? Explain registration procedure under. Briefly enumerate categories of persons/premises exempted from obtaining registration. [20]

2. (a) Explain the concept of valuation of taxable services under section 67 of Service Tax Law. How is the value determined if consideration is not ascertainable ? [10]
- (b) Determine service tax liability if the service has been provided in the month of December, 2016 :
 - (i) Mr. X provides taxable services to Mr. Y valuing ₹ 20,00,000 (Exclusive of service tax and SBC).
 - (ii) Mr. A provides taxable services to Mr. B for which he charges ₹ 15,00,000 (inclusive of tax).
 - (iii) Lawany beauty parlour provided treatment service client paid ₹ 1,500 in cash and hair dryer valuing ₹ 2,500.

P.T.O.

(iv) Mr. A provides taxable service to Mr. B valuing ₹ 15,00,000. He has incurred travelling expenses of ₹ 1,00,000 for provision of service reimbursed by Mr. B (amount exclusive service tax and SBC). [10]

3. How the 'taxable turnover' determined under CST ACT 1956 ? How is the 'liability to pay tax computed ? Enumerate various forms and declarations for concessional rate of tax under CST Act 1956. [20]

4. State the various provisions in respect of the following under M VAT Act 2002 :

(i) Registration under M VAT Act

(ii) Provision for levy of tax

(iii) Audit provisions

(iv) Composition schemes. [20]

5. Write short notes :

(i) Daily Stock Account and Account Current

(ii) Interest and penalty provisions under M VAT Act 2002

(iii) Concept of 'Declared Goods' under CST Act.

(iv) Concept of 'Bundled Service'. Principles for classification of bundled service. [20]

6. (a) How will the assessable value under the subject transaction be determined u/s 4 of the Central Excise Act 1944 ?

Contracted sale price delivery at buyer's premises 9,00,000

The contracted sale price includes the following elements of cost :

(i) Cost of drawing and designs	4,000
(ii) Cost of primary packing	3,000
(iii) Excise Duty	1,11,200
(iv) VAT (M VAT Tax)	37,000
(v) Octroi	9,500
(vi) Freight/insurance from factory to place of removal	20,000
(vii) Actual Freight/Insurance from place of removal to buyer's premises	42,300

Give reasons with assumptions where it is necessary. [10]

- (b) B. Ltd. manufacturing two products namely eye ointment and skin ointment which are specified products u/s 4A of Central Excise Act. The sale price of eye ointment at ₹ 43 per unit, skin ointment ₹ 33 per unit. The sale price of both the products include 12.5% excise duty as BED and includes C.S.T. of 2%. Additional informations are as :

Units cleared : Eye ointment : 1,00,000 units

Skin ointment : 1,50,000 units

Deductions permissible u/s 4A : 40%

Calculate the total excise duty liability of B Ltd. on both the products. [10]

7. (a) M/s SHAM TRADER's a registered dealer under M. VAT Act furnishes the following details of sales for the month of March, 2017 :

(i) Sale of exempted goods (Sch. A)	1,50,000
(ii) Sale of goods @ 0% by notification	90,000
(iii) Sale of 'C' schedule goods tax @ 5%	5,00,000
(iv) Sale of goods @ tax rate 12.5%	2,00,000

Details of purchases are as follows :

Net Amt. of Purchases	Rate of Tax
(i) 1,50,000	Tax Free
(ii) 10,00,000	4%
(iii) 5,00,000	12.5%

You are required to compute :

- (i) Taxable turnover of sales
- (ii) Tax payable. [10]

(b) M/s AKASHAY DEPT. STORES submits details of sales for the period 01-04-2017 to 30-09-2017 as :

(i) Sold taxable goods @ 12.5%	2,50,000
(ii) Sold 'A' Schedule goods	2,00,000
(iii) Sold Schedule 'B' goods	1,50,000

Details of purchases are as :

(i) Purchase of schedule 'A' goods	1,75,000
(ii) Purchase of schedule 'B' goods	1,35,000
(iii) Purchase of goods @ 12.5%	2,40,000

Discuss liability for registration. Provide list of documents to be attached with application for registration. [10]

Total No. of Questions—7]

[Total No. of Printed Pages—2

Seat No.	
-------------	--

[5385]-5

P.G. DIPLOMA IN TAXATION EXAMINATION, 2018

AUDITING AND TAX AUDIT

Paper V

Time : Three Hours

Maximum Marks : 100

N.B. :— (i) Question No. 1 is compulsory.

(ii) Solve any *four* questions from Q. Nos. 2 to 7.

(iii) *All* questions carry equal marks.

1. What is “Audit Notebook” ? What should it contain ? What are its advantages ? [20]
2. What do you mean by Auditing ? Explain objectives, advantages and diadvantages of an auditing. [20]
3. Explain the provisions of Income Tax Act regarding compulsory Tax Audit. [20]
4. (a) What is Selective Tax Audit under Section 142 (2A) of Income Tax Act. [10]
(b) Give specimen of Audit report form 3CB. [10]
5. (a) Discuss the control components of an EDP accounting system. [10]
(b) Problems in an EDP environment. [10]

P.T.O.

6. What are the rights, duties and liabilities of a company auditor ? [20]
7. Write short notes on : [20]
- (a) Vouching of cash-book
 - (b) Audit programme
 - (c) Audit certificate
 - (d) Qualified audit report.