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[4991]-101

**P.G. Diploma in Taxation EXAMINATION, 2016**

**FINANCIAL ACCOUNTING**

**Paper I**

**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.  
(iv) Figures to the right indicate full marks.

1. What is 'Accountancy' ? State its objectives and importance. How is it different from 'Book keeping' ? [20]
2. What is 'Non-Trading Concern' ? Distinguish between Trading Concern and Non-Trading Concern. [20]
3. What is Bank Reconciliation Statement ? State the reasons of difference between the balance of cash book and bank pass book. [20]
4. Write short notes on (any *four*) : [20]
  - (1) Ledger
  - (2) Accountancy
  - (3) Conservatism
  - (4) Subsidiary book
  - (5) Types of Errors.

P.T.O.

5. From the following information provided by Mr. Kapur, prepare his Bank Reconciliation Statement as on 31-3-2014 : [20]

1. Bank overdraft as per the pass book	Rs. 16,500
2. Cheque issued to the suppliers but not presented to the bank	Rs. 8,750
3. Cheque deposited with the bank but not credited by bank	Rs. 10,500
4. Cheque recorded in the cash book but not send to the bank for collection	Rs. 2,000
5. Customer directly deposited into the bank account	Rs. 3,500
6. Pass book shows debit entry for bank charges	Rs. 200
7. As per standing advice to the bank, it paid insurance premium	Rs. 1,980
8. A bill of exchange for Rs. 3,000 discounted with bank in February 2014 dishonored in March 2014 and noting charges paid by bank	Rs. 100.

6. The following is the Balance Sheet of Minu, Sonu and Ritu who were sharing Profit and Losses in the proportion of their capitals :

**Balance Sheet as on 31st March, 2012**

<b>Liabilities</b>	<b>Amount</b> (Rs.)	<b>Assets</b>	<b>Amount</b> (Rs.)
Capital Account :		Plant and Machinery	20,000
Minu 50,000		Land and Building	55,000
Sonu 20,000		Stock	12,000
Ritu <u>30,000</u>	1,00,000	Debtors 12,000	
Creditors	15,000	Less : R.D.D. <u>1,000</u>	11,000
		Cash	17,000
<b>Total</b>	<b>1,15,000</b>	<b>Total</b>	<b>1,15,000</b>

Ritu retires from the business on 31-3-2012 and the following adjustments were agreed to :

- (1) The stock is to be valued at 92% of its book value.
- (2) RDD to be maintained at 10% on Debtors.
- (3) The volume of land and building is 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 Sonu in proportion to their new profit sharing ratio which is fixed as 3 : 1 by making adjustments for difference in cash.

Prepare Profit and Loss Adjustment A/c, Partner's Capital A/c and Balance Sheet after retirement of Ritu.

7. Given below is the Trial Balance of M/s Dinesh Desai as on 31-3-2014. Prepare Trading and Profit and Loss A/c for the year ended 31-3-2014 and Balance Sheet as on that date : [20]

**Trial Balance as on 31-3-2014**

<b>Particulars</b>	<b>Debit Amount (Rs.)</b>	<b>Credit Amount (Rs.)</b>
Stock on 1-4-2013	30,000	
Purchases and sales	75,000	1,25,000
Drawings	2,000	
Returns	2,400	1,000
Sundry expenses	600	
Wages	3,500	
Salaries	5,600	
Travelling Expenses	1,600	
Advertisements	600	
Rent and Taxes	2,800	
Insurance	2,000	
Bad debts	600	
Discount	1,300	1,000
Building	50,000	
Machinery	15,000	
Furniture	10,000	
Cash	3,000	
Capital		83,000
RDD		600
Bank overdraft		6,400
Debtors and creditors	41,000	30,000
<b>Total</b>	<b>2,47,000</b>	<b>2,47,000</b>

*Additional Information :*

- (1) Closing stock is value at Rs. 45,000
- (2) Outstanding rent Rs. 200, wages Rs. 500
- (3) Insurance is paid up till 23-6-2014
- (4) Write off Rs. 1,000 for bad debts and provide RDD at 5% and create reserve for discount on debtors at 2% and discount on creditors at 3%
- (5) Depreciate Building by 5%, Machinery by 10% and Furniture by 15% p.a.
- (6) Travelling expenses include Rs. 400 for private travelling of the proprietor.

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**[4991]-102**

**P.G.D.I.T. EXAMINATION, 2016**  
**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 mean by Income Tax ? Explain the various objectives of Direct Taxes.
2. Write short notes :
  - (a) Assessee
  - (b) Person
  - (c) Assessment Year
  - (d) Capital Expenditure
3. Explain the difference between Capital Receipts and Revenue Receipts.
4. Explain the provision of Professional Tax Act for a salaried person.
5. Explain in detail provision of Payment of Advance Tax.
6. (a) What are the exempted wealth under Wealth Tax Act ?  
(b) Type of Indirect Taxes in India.

P.T.O.

7. Mr. Sujit, a resident in India, furnished the particulars of his Assets and Liabilities as on 31/03/2016. You are required to calculate Taxable Wealth.

<b>S.N.</b>	<b>Particulars</b>	<b>Rs.</b>
1.	Motor cars of foreign make held as Fixed Assets	19,50,000
2.	Residential House Property at Pune let out for the year	11,00,000
3.	Jewellery	19,00,000
4.	Land purchased for Industrial purpose on 25th March 2008	13,00,000
5.	Loan against purchase of lands on 25th March 2008	6,25,000
6.	Cash in hand	75,000
7.	Cash at banks	1,25,000

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[4991]-103

**P.G. DIPLOMA IN TAXATION EXAMINATION, 2016**  
**DIRECT TAXES : STRUCTURE AND PROCEDURE**  
**Paper III**

**Time : Three Hours**

**Maximum Marks : 100**

**N.B. :—** (i) Q. No. 7 is compulsory.

(ii) Solve any *four* questions from Q. Nos. 1 to 6.

(iii) *All* questions carry equal marks.

1. Explain the term 'Gross Total Income' and deduction to be made applicable to individual from Gross Total Income (Chapter VI deductions).

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

(a) Taxable perquisites

(b) Deduction u/sec 16 (salary income)

(c) Deduction u/sec 24 (house property)

(d) Agriculture income ?

(e) Capital asset

(f) Profits in lieu of salary.

3. Mr. Ramkrishna is an employee of M/s XYZ Ltd. He gets the following amounts during the previous year 2015-16 :

	₹
— Basic pay per month	12,000
— D.A. (p.m.) forming part of salary	5,000
— Interest credited to balance in RPF @ 9.5%	19,000

P.T.O.



— Rent free house at Delhi (Rent paid by employer company)	5000 p.m
— Leave salary for one month	17,000
— Commission on sales @ 5% of sales	50,000

Mr Ramkrishna contributed ₹ 220 p.m. to RPF and an equal amount was contributed by the company. Compute the income from salary for A/year 2016-17 and income tax thereon.

4. Find out the taxable income and income tax thereon of Mr. Sagar from house property for A/year 2016-17 :

<b>Particulars</b>	<b>House I</b>	<b>House II</b>
Municipal valuation	3,00,000	4,00,000
Fair rent	3,50,000	4,80,000
Standard rent	3,30,000	5,00,000
Actual rent	3,60,00	—
Period of vacancy	2 months	—
Municipal tax (due to not paid	30,000	30,000
Interest on housing loan	70,000	2,05,000
Nature of occupation	letout	self occupied

Housing loans for both houses are taken after 1st April 1999 and construction are completed by the end of the March 2,000.

5. Write notes on :
- Annual value
  - Income tax-Rebates and Reliefs.
  - Deductions u/sec 80-G (Donations)
  - Exempted allowances.

6. Mr. Kumar furnishes the following particulars for the financial year 2015-16. Compute his income from business for A/year 2016-17 :

**Profit & Loss A/c for the year ended on 31-3-16**

Dr.		Cr.
Particulars	₹	Particulars
		₹
To salary	2,04,000	By Gross profit
To misc. Expenses	39,000	By commission
To advertisements	70,000	and discount
To fire insurance	4,000	By misc. Receipts
To Diwali Expenses	5,000	
To Entertainment Exp.	4,000	
To Mahurat expenses	2,100	
To Bad debts written-off	6,900	
To Reserve for loss	10,000	
To interest on capital	4,000	
To patents	27,000	
To depreciation on		
plant and machinery	28,000	
To prov. for Excised duty	13,000	
To net profit	6,09,000	
	10,26,000	10,26,000

- (1) Salaries paid includes payment to relatives ₹ 54,000 out of which ₹ 6,000 were excessive.
- (2) Misc. expenditure includes ₹ 5,400 on training of apprentices ₹ 8,000 commission for securing order for business ₹ 11,600 as compensation on termination of service.

- (3) Advertisement include gifts given to customers amounting to ₹ 20,000.
- (4) Depreciation allowable is ₹ 33,000.
- (5) Excise duty of ₹ 5,000 has been paid before filing returns.
- (6) Also compute tax on taxable income.

7. Mr. Prakash has given the following particulars of his income and savings for the financial year ending on 31st March 2016.

<b>Particulars</b>	<b>Amount (₹)</b>
(1) Gross salary	5,03,000
(2) Profit from business	1,50,000
(3) Interest on Govt. Securities	3,800
(4) Dividend received from Indian company	5,600
(5) Income from house property	15,000
(6) He paid professional tax ₹ 2,500 and income tax	50,000
(7) He paid ₹ 10,200 for LIC premium and deposited in PPF ₹ 10,000.	
(8) He invested ₹ 5,000 in NSC Certificates and made fixed deposit for 5 years in State Bank of India ₹ 50,000.	

Compute the total taxable income and tax liability of Mr. Prakash for A/year 2016-17

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**[4991]-104**

**Post Graduation Diploma in Taxation EXAMINATION, 2016**

**INDIRECT TAXES : STRUCTURE AND PROCEDURE**

**Paper IV**

**(Central Excise and Service Tax)**

**Time : Three Hours**

**Maximum Marks : 100**

**N.B. :—** (i) Q. No. 6 and Q. No. 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. Who is liable to pay excise duty ? What are the basic conditions for levy of excise duty ? [20]

2. Write notes on : [20]

(i) Need for taxation of services.

(ii) What is the meaning of 'Service' and 'Taxable Services' ?

(iii) 'Service provider', 'Service recipient'.

(iv) What is meant by abatement ?

3. Discuss the provisions under C.S.T. Act : [20]

(i) Appropriate state

(ii) Sale or purchase of goods outside a State

(iii) Types of registration under C.S.T. Act

(iv) Goods of special importance under C.S.T. Act.

P.T.O.

4. Write notes on : [20]
- (i) Composition Scheme under VAT
  - (ii) Importance of 'Tax invoice'
  - (iii) Provisions for 'Audit' under VAT
  - (iv) Incidence and levy of tax under VAT.
5. Write short answers : [20]
- (i) Provisions for submission of Return of VAT
  - (ii) Objectives of C.S.T. Act
  - (iii) Rules for valuation of taxable services
  - (iv) SSI exemption under the central excise.
6. (a) The MRP marked on the paint of 20 ltr. drum is ₹ 3,000 (inclusive of all taxes) and abatement allowed is 30%. The rate of excise duty is 12.5%. Compute assessable value and amount of duty payable. [10]
- (b) X.Y.Z. manufactures two final products namely Product 'A' and Product 'B' in the month of December, 2015. Product 'A' is dutiable product and Product 'B' is non-dutiable product. The common inputs are used in final products CENVAT credit was availed on common inputs for ₹ 10,000. Raw material 'Y' was exclusively used in the process of Product 'B' on which the CENVAT credit availed for ₹ 1,500.

The value of Product 'A' manufactured and cleared during the month of December, 2015 is ₹ 1,00,000 on which duty payable is ₹ 12,360.

The value of Product 'B' manufactured and cleared during the month of December, 2015 is ₹ 50,000 on which no duty is payable.

Compute the net duty payable by X.Y.Z. manufacturer. [10]

7. (a) (i) M/s XYZ sells goods to 'A' for ₹ 1,00,000. He charges VAT @ 10% on the sale price. 'A' sells same goods to 'B' by adding ₹ 50,000 as his profit and charge VAT @ 10%.

(ii) M/s XYZ sells goods to 'A' for ₹ 50,000. He charges VAT @ 4% on the sale price. 'A' sells same goods to 'B' by adding ₹ 25,000 as his profit and charge VAT @ 10%.

Compute the tax payable by dealer 'A'. [10]

(b) Dealer A sells goods X and Y. Goods X are charged @ 2% and goods Y (which are declared goods @ 1%). The aggregate sale price including C.S.T. of X and Y is ₹ 4,06,000 out of which ₹ 2,04,000 is of goods X and ₹ 2,02,000 is of goods Y.

Calculate the turnover of dealer 'A' and C.S.T. payable. [10]

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**[4991]-105**

**P.G. Diploma in Taxation EXAMINATION, 2016**

**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 do you mean by Auditing ? Explain objectives, advantages and disadvantages of an auditing. [20]
2. What is “Audit Notebook” ? What should it contain ? What are its advantages ? [20]
3. What are the Rights, Duties and Liabilities of a company auditor ? [20]
4. Explain the provisions of Income Tax Act regarding compulsory Tax Audit. [20]
5. (a) What is Selective Tax Audit under section 142 (2A) of Income Tax Act. [10]  
(b) Give specimen of Audit Report form 3CB. [10]

P.T.O.

- 6.** (a) Problems in an EDP environment. [10]  
(b) Discuss the control components of an EDP accounting system. [10]
- 7.** Write short notes on : [20]  
(a) Audit programme  
(b) Vouching of Cash Book  
(c) Qualified Audit Report  
(d) Audit Certificate.