

Assignment
Tax II

Q:1

5. Shri Parimal Ghosh is the owner of a factory. He requests you to determine his total taxable Business income for the assessment year 2019-'20 on the basis of the following Profit and Loss Account for the year ended 31-3-2019 :

Particulars	Rs.	Particulars	Rs.
To Opening Stock	5,00,000	By Sales	80,00,000
" Purchases	50,00,000	" Rent received	9,00,000
" Wages	20,00,000	" Closing Stock	7,00,000
" Audit fee	20,000	" Bad debt recovery (of which Rs. 10,000 was not allowed in previous year)	25,000
" Building repairs (let-out)	5,98,000		
" Rent collection charges	42,000		
" General Expenses	30,000		
" Commission on loan	10,000		
" Bad debts reserve	40,000		
" Bad debts	50,000		
" Interest on capital	1,40,000		
" Contribution to staff welfare fund	50,000		
" Income-tax Provision	1,50,000		
" Depreciation (approved)	65,000		
" Reserve for future Contingency	30,000		
" Net Profit	9,00,000		
	<u>96,25,000</u>		<u>96,25,000</u>

Q:2

8. Shri A. H. Jadeja sells the long term assets as on 11th January, 2019.

Particulars	Residential House (Rs.)	Gold (Rs.)	Silver (Rs.)	Diamonds (Rs.)
(1) Consideration of sales	3,90,000	8,10,000	2,96,000	6,40,200
(2) Adjusted Cost of Acquisition (based on Index)	70,000	1,15,000	1,78,000	4,30,000
(3) Expenses of transfer	10,000	81,000	6,000	32,000

The last date of Filing of return of income for the A.Y. 2019-'20. is July 31, 2019. For claiming exemption under Section 54 and 54 EC, Shri A.H. Jadeja has purchased the following assets :

Assets	Date of Acquisition	Amount (Rs.)
(i) Land (for construction of residential house)	March 31, 2019	1,00,000
(ii) Bank Deposit (for constructing house)	August 5, 2019	50,000
(iii) Notified Bonds (Redeemable after 5 years)	July 5, 2019	7,50,000
(iv) Bonds of National Highways Authorities of India (Redeemable after 5 years)	July 10, 2019	3,00,000

Find out taxable capital gain of Shri Jadeja for the A.Y. 2019-'20.

Q:3

21. From the following data of Pankaj for the previous year ended 31-3-2019, compute the Income from Other Sources :

	Rs.
(1) Directors Fee from a Company	10,000
(2) Interest on Bank Deposit	3,000
(3) Income from undisclosed Source	12,000
(4) Winning from Lotteries (Net of Taxes @ 30%)	33,500
(5) Royalty on book written by him	11,000
(6) Lectures in Seminars	5,000
(7) Interest on loan given to a relative	7,000
(8) Interest on debenture of a Company (Listed in a Recognised Stock Exchange) Net of Taxes @ 10%	3,588
(9) Interest on Post Office Saving Bank Account	2,500
(10) Interest on Deposit Certificate issued under the Gold Monetisation Scheme	9,000
(11) Interest on Government Securities	2,200
(12) Interest on Monthly Income Scheme of Post Office	33,000

He paid Rs. 3,000 for typing the manuscript of book written by him.

Q:4

Write Short Notes

1. Reversal of Input Tax Credit
2. Overview of GST Act
3. Benefits of GST and Challenges