

NEW

2015

Part II 3-Tier

DIRECT AND INDIRECT TAXES

PAPER—XII

(Honours in 'Accounting and Finance')

Full Marks : 100

Time : 4 Hours

The figures in the right-hand margin indicate full marks.

Candidates are required to give their answers in their own words as far as practicable.

Illustrate the answers wherever necessary.

1. Answer any five questions : 4×5
- (i) Distinguish between Tax Evasion and Tax Avoidance.
 - (ii) What is Previous Year ? State the previous year for a newly set up business or profession.
 - (iii) Determine the status in which the following assesseees are to be assessed :
 - (a) X, the employee of a college,
 - (b) Vidyasagar University,
 - (c) Kolkata Municipal Corporation,
 - (d) Midnapore Co-operative Society,

(Turn Over)

- (e) X Co Ltd.,
 - (f) X & Co. where X and Y are two partners,
 - (g) Milan Club;
 - (h) A joint Hindu family consisting of Mr X, his wife & two sons.
- (iv) Mr. X is an Indian citizen. He went to Canada for employment purposes on September 3, 2013 and came back to India on December 12, 2014. He has never been out of India in the past. During the previous year 2013-14, he earned a profit of ₹ 30,000 from a business in the U.S.A. controlled from India. Half of the profits were received in India. Determine the residential status of Mr X and the taxability of his income for the assessment year 2014-15.
- (v) Mr. Y is employed as an executive in Sunlight Ltd. at a basic salary of Rs. 10,000 p.m. His D.A. (not forming part of salary) is ₹ 2,000 p.m., car allowance @ ₹ 1,000 p.m. and medical allowance of ₹ 500 p.m. His employer transferred him to Mumbai from 01.04.13. Due to housing problem at the new service centre his employer offered him to choose one of the following two alternatives :
- (a) A rent free unfurnished house in Mumbai (by taking it at a rent of ₹ 2,000 p.m. by the company).
 - (b) A house rent allowance of ₹ 2,000 p.m. from the company (to take the same residential house by himself at the same time).

Ascertain which option is more beneficial to Mr. Y from the taxation point of view.

- (vi) P, an employee of a private concern which is covered by the Payment of Gratuity Act, 1972, retired on December 31, 2013 after rendering 21 years 7 months of service. He received gratuity of ₹ 38,000 on February 12, 2014. His salary for the last month was ₹ 3,200. Calculate the amount of gratuity exempt from tax.
- (vii) (a) Give four examples of income from house property exempt from tax.
(b) What is Annual Value? How is the same determined? 2+2
- (viii) S furnishes the following information for the previous year 2013-14 :

	<i>Building</i>	<i>Shares</i>
Date of acquisition	May 3, 2007	July 21, 2012
Date of sale	August 21, 2013	September 2, 2013
Cost of acquisition (₹)	3,50,000	10,000
Sale proceeds (₹)	6,25,000	12,000

Compute taxable income from Capital gains for the Assessment Year 2014-15.

Cost Inflation Index : 2013-14 → 939, 2007-2008 → 551, 2012-2013 → 852.

- (ix) Mr. X (aged 52 years), a resident individual, has agricultural income of ₹ 5,200 and non-agricultural income of ₹ 5,26,800 for the Previous Year 2013-14. Calculate his tax liability for the relevant Assessment year.
- (x) Define 'Perquisite'. Give four examples of tax free perquisites. 2+2

2. Answer any *five* questions:

8×5

(a) S. Co. Ltd. a South Korean company, a non-resident under the Income Tax Act 1961, had the following receipts of royalty in 2013-2014. Indicate whether they will be taxable in India. Give reasons for your answer.

(i) ₹ 50,000 from the Govt. of India under an agreement approved by the Govt. of South Korea and India.

(ii) ₹ 10,000 from C. Ltd., a resident Indian Co, for import of technical know-how for use in a business in India.

(iii) ₹ 70,000 from B. Co. a resident Indian organisation, for import of drawings for use in its business in Singapore and Malaysia.

(iv) ₹ 50,000 from K, a non-resident under Indian Tax Law, for use of a formula for a business in India. 4×2

(b) X, a resident individual aged 46 years, furnishes the following particulars for the year ended March 31, 2014 :

(i) Taxable income from salaries (computed) ₹ 5,40,000;

(ii) He sold equity shares of X Co Ltd. (not in recognised stock exchange in India) on August 22, 2013 for ₹ 3,20,000 (purchased on July 15, 1996 for ₹ 60,000);

(iii) He has invested ₹ 30,000 in NSC.

Compute his tax liability for the Assessment Year, 2014-15.

[Cost Inflation Index for 2013-14 : 935 & for 1996-97 : 305]

(c) X receives the following gifts during the Previous Year 2013-2014. Compute the taxable amount of gift assessable under the head 'Income from other Sources' in the hands of X :

	₹
20.04.13 Cash gift from his friend A	48,000
12.05.13 Gift by cheque from his father	75,000
08.06.13 Cash gift from his friend B	30,000
17.07.13 Gift of a house property from his friend C without consideration Stamp duty value of which	2,25,000
20.09.13 Gift by cheque from his friend D on the occasion of marriage of X	72,000
15.11.13 Cash Gift from his grandfather	32,000
12.12.13 Gift of a house property from the sister of his grandfather for a consideration of ₹ 35,000, Stamp duty value of which is	3,52,000
05.02.14 Cash gift from his friend A	58,000
18.02.14 Cash gift from his friend E without consideration, stamp duty value of which	48,000
04.03.14 Gift of a motor cycle from friend B for a consideration of ₹ 35,000, fair market value of which is	53,000
15.03.14 Gift of jewellery by friend C without consideration, fair market value of which is	30,000

- (d) Mr. Bahadur is the owner of 4 house properties in Kolkata. From the following particulars, compute his income from house property for the previous year 2013-14.

House No.	A	B	C	D
How used	Tenant's Business	Tenant's Residence	Own Residence	Own Business
Gross Municipal Value (₹)	40,000	30,000	30,000	20,000
Rent received (₹) p.m.	3,000	2,750	—	—
Fair Rent (₹)	38,000	35,000	32,000	25,000
Repair expenses (₹)	5,000	—	2,000	1,000
Interest on Loan (₹)	—	15,000	25,000	—
		(paid)	(unpaid)	
Municipal tax paid (10%)	6 Quarters (with pre-vious 2 quarters)	5 Quarters (with coming 1 quarter)	4 Quarters	4 Quarters
			—	—
Vacancy period	2 months	—	3 months	—

He has mortgaged the house A for taking a loan but the amount is fully used for construction of house B.

- (e) What do you mean by advance payment of tax? Who is liable to pay such tax? How is the amount of advance tax payable determined? 2+2+4
- (f) Who is entitled to claim refund of tax? How and when is refund of claim to be made? 2+3+3
- (g) (i) Distinguish between Heads of Income & Source of Income.
- (ii) Give any two examples when 'assessment year' and 'previous year' are same.
- (iii) Write a short note on belated return. 2+2+4
- (h) (i) What is TAN?
- (ii) Mention two specified transactions where quoting of PAN is made not compulsory.

- (iii) What do you mean by tax planning ?
- (iv) State, with reasons in brief, whether the following income are agricultural income or not :
- (A) Income earned from the sale of tea grown and manufactured by the assessee.
- (B) Profit earned from the sale of agricultural land. 4×2
- (i) From the following particulars of Mrs R (aged 36 years) for the Previous Year 2013-14, compute her total income and tax liability if she is (a) resident in India and (b) non-resident in India :

	(₹)
Income from salary (computed)	3,25,000
Income from house property (computed)	(-) 38,000
Income from business (computed)	95,700
Deductions u/s 80C & 80G	20,000
Tax relief u/s 89 in respect of arrear salary received	2,040

- (j) From the following information, compute the taxable income of Shri Chowdhury for the A.Y. 2014-15, assuming that he is a (i) resident but not ordinarily resident and (ii) non-resident.
- A. Remuneration for consultancy services rendered in Italy ₹ 30,000 but received in India.
- B. Income from business in Ireland and received in Ireland ₹ 65,000. The business, however, is controlled from India.
- C. Pension for services rendered in India but received in Israel ₹ 25,000.
- D. Interest on deposit in a local bank in Indonesia and also received in Indonesia ₹ 20,000.

3. Answer any *two* questions :

15×2

(i) From the following particulars compute total income of Mrs X for the A.Y. 2014-15, who is working in a private limited company :

- (a) Basic Pay as per scale of pay Rs. 8,000—400—10,000—600—16,000. She is appointed on 01.12.07;
- (b) D.A. @ 50% of basic;
- (c) Car allowance @ ₹ 800 p.m. but she spent ₹ 700 p.m. for hiring of cars in performance of her official duties, on an average;
- (d) Medical allowance @ ₹ 500 p.m. She spent ₹ 4,500 during the year for medical treatment of her family members;
- (e) Children education allowance @ ₹ 300 p.m. for each of her 3 children. Actual expenditure for education of children @ ₹ 800 p.m. each on an average;
- (f) Entertainment allowance @ ₹ 600 p.m., but she spent @ ₹ 500 p.m. for entertaining of customers of office.
- (g) She and her employer each contributed 15% of her basic salary to recognised provident fund. Interest credited to this fund @ 8.5% p.a. on 31.03.14. amounted to ₹ 14,250;
- (h) She is provided with a rent-free accommodation at Howrah, the fair rent of which is ₹ 2,000 p.m. Furniture provided by the employer costing ₹ 25,000.

- (i) Her employer paid regularly through her the wages of sweeper @ ₹ 400 p.m., durwan @ ₹ 500 p.m. & Cook @ ₹ 300 p.m.;
- (j) Her employer also reimburses gas bills of ₹ 3,000, electricity bills of ₹ 6,000 and club bills of ₹ 10,000 during the year;
- (k) The employer deposited on her behalf professional tax @ ₹ 130 p.m. and income @ ₹ 2,000 p.m.
- (l) During the year she received bank interest from fixed deposit ₹ 8,500, interest from savings bank accounts ₹ 7,000, dividend from an Indian company ₹ 7,000 and interest on deposit with a company ₹ 6,000. She paid ₹ 9,000 as mediclaim premium, paid LIC premium of ₹ 8,000 on her husband's life, donated ₹ 10,000 to National Defence Fund and contributed ₹ 5,000 to Ramkrishna Mission.
- (ii) (a) Discuss the salient features of Value Added Tax (VAT)
 (b) Distinguish between state sales tax and VAT System of levying tax on sales.
 (c) Discuss the advantages and disadvantages of VAT Scheme. 2+5+5+3
- (iii) What PAN ? How is the application to be made by the assessee for obtaining PAN ? State the cases where quoting of PAN is made compulsory ? 2+7+6
- (iv) Following is the Profit & Loss A/c of S.N.Das for the year 31.03.14:

	Rs.		Rs.
To Opening Stock	78,000	By Sales	5,35,000
" Purchase	3,85,500	" Closing Stock	1,16,000
" Wages	34,050	" Bad Debt recovered	2,000
" Rent	12,000	" Bank Interest	8,500
" General charges	16,500	" Interest from US 64 Bonds	3,500
" Charities & Donation	2,500	" Interest on Invest- ment in NSC	1,050
" Salaries	64,600	" Profit on sale of machinery	4,000
" Bad Debt	3,000		
" Reserve for Bad Debt	6,200		
" Depreciation	10,500		
" Income tax	3,900		
" Legal expenses	6,200		
" Interest on Capital	8,000		
" Net Profit	39,100		
	<u>6,70,050</u>		<u>6,70,050</u>

Additional information :

- Both the opening and closing stock valued at 10% below cost;
- Claim for bad debt includes an item of ₹ 2,000 due from Jadavlal since 15.09.10. He is solvent and no recovery proceedings have been taken against him;
- Legal expenses include ₹ 2,000 for I.T appeal case and ₹ 3,000 penalty paid for infringement of custom's regulations;
- The entire amount of charities and donations was made to the Government of India for family planning;
- Depreciation admissible as per I.T Rules amounts to ₹ 8,000

Compute the total income of S.N.D., a resident individual and the sole-proprietor of the business for the A.Y. 2014-'15. 15

[Internal assessment — 10 marks]

বঙ্গানুবাদ

দক্ষিণ প্রান্তস্থ সংখ্যাগুলি প্রশ্নমান নির্দেশক।

পরীক্ষার্থীদের যথাসম্ভব নিজের ভাষায় উত্তর দেওয়া প্রয়োজন।

১। যে-কোনো পাঁচটি প্রশ্নের উত্তর দাও।

৫×৪

- (ক) 'কর ফাঁকি' ও 'কর এড়ানো'র মধ্যে তফাৎ কি ?
- (খ) পূর্ববর্তী বছর কি ? কোন নতুন ব্যবসা বা পেশার ক্ষেত্রে পূর্ববর্তী বছর কি ?
- (গ) নিম্নলিখিত ক্ষেত্রগুলিতে কোন কর নির্ধারীর মর্যাদা স্থির কর।
- (a) X, the employee of a college,
- (b) Vidyasagar University,
- (c) Kolkata Municipal Corporation,
- (d) Midnapore Co-operative Society,
- (e) X Co Ltd.,
- (f) X & Co. where X and Y are two partners,
- (g) Milan Club;
- (h) A joint Hindu family consisting of Mr X, his wife & two sons.
- (ঘ) Mr. X is an Indian citizen. He went to Canada for employment purposes on September 3, 2013 and came back to India on December 12, 2014. He has never been out of India in the past. During the previous year 2013-14 he earned a profit of

₹ 30,000 from a business in the U.S.A. controlled from India. Half of the profits were received in India.

Determine the residential status of Mr X and the taxability of his income for the assessment year 2014-15.

- (ঙ) Mr. Y is employed as an executive in Sunlight Ltd. at a basic salary of Rs. 10,000 p.m. His D.A. (not forming part of salary) is. ₹ 2,000 p.m., car allowance @ ₹ 1,000 p.m. and medical allowance of ₹ 500 p.m. His employer transferred him to Mumbai from 01.04.13. Due to housing problem at the new Service centre his employer offered him to choose one of the following two alternatives :
- (a) A rent free unfurnished house in Mumbai (by taking it at a rent of ₹ 2,000 p.m. by the company).
 - (b) A house rent allowance of ₹ 2,000 p.m. from the company (to take the same residential house by himself at the same time).

করের দিক থেকে ভাবলে Y এর ক্ষেত্রে কোন মতটি অধিকতর সুবিধায়ুক্ত হবে তা ব্যাখ্যা করো।

- (চ) P, an employee of a private concern which is covered by the Payment of Gratuity Act, 1972, retired on December 31, 2013 after rendering 21 years 7 months of service. He received gratuity of ₹ 38,000 on February 12, 2014. His salary for the last month was ₹ 3,200. Calculate the amount of gratuity exempt from tax.

(ছ) 'গৃহস্থান থেকে আয়'-এর চারটি উদাহরণ দাও যা কর ছাড় যোগ্য।

'বাৎসরিক মূল্য' কি ? ইহা কিভাবে নির্ধারণ করা হয় ?

২+২

(জ) S furnishes the following information for the previous year 2013-14

	<i>Building</i>	<i>Shares</i>
Date of acquisition	May 3, 2007	July 21, 2012
Date of sale	August 21, 2013	September 2, 2013
Cost of acquisition (₹)	3,50,000	10,000
Sale proceeds (₹)	6,25,000	12,000

Compute taxable income from capital gains for the Assessment Year 2014-15. Cost Inflation Index :

2013-14 → 939, 2007-2008 → 551, 2012-2013 → 852.

(ঝ) Mr. X (aged 52 years), a resident individual, has agricultural income of ₹ 5,200 and non-agricultural income of ₹ 5,26,800 for the Previous Year 2013-14. Calculate his tax liability for the relevant Assessment Year.

(ঞ) 'বেতনপূরক' কাকে বলে ? কর ছাড়যোগ্য বেতন পূরকের চারটি উদাহরণ দাও।

২+২

২। যে-কোনো পাঁচটি প্রশ্নের উত্তর দাও।

৮×৫=

(ক) S. Co. Ltd. a South Korean company, a non-resident under the Income-Tax Act 1961, had the following receipts of royalty in 2013-2014. Indicate whether they will be taxable in India. Give reasons for your answer.

- (i) ₹ 50,000 from the Govt. of India under an agreement approved by the Govt. of South Korea and India.
- (ii) ₹ 10,000 from C. Ltd., a resident Indian Co, for import of technical know-how for use in a business in India.
- (iii) ₹ 70,000 from B. Co. a resident India organisation, for import of drawings for use in its business in Singapore and Malaysia.
- (iv) ₹ 50,000 from K, a non-resident under Indian Tax Law, for use of a formula for a business in India. 4×2

(খ) X, a resident individual aged 46 years, furnishes the following particulars for the year ended March 31, 2014 :

- (i) Taxable income from salaries (computed) ₹ 5,40,000
- (ii) He sold equity shares of X Co Ltd. (not in recognised stock exchange in India) on August 22, 2013 for ₹ 3,20,000 (purchased on July 15, 1996 for ₹ 60,000)
- (iii) He has invested ₹ 30,000 in NSC.

Compute his tax liability for the Assessment Year 2014-15.

[Cost Inflation Index for 2013-14 : 935 & for 1996-97 : 305]

(9) X receives the following gifts during the Previous Year 2013-2014. Compute the taxable amount of gift assessable under the head 'Income from other Sources' in the hands of X.

	₹
20.04.13 Cash gift from his friend A	48,000
12.05.13 Gift by cheque from his father	75,000
08.06.13 Cash gift from his friend B	30,000
17.07.13 Gift of a house property from his friend C without consideration, Stamp duty value of which	2,25,000
20.09.13 Gift by cheque from his friend D on the occasion of marriage of X	72,000
15.11.13 Cash Gift from his grandfather	32,000
12.12.13 Gift of a house property from the sister of his grandfather for a consideration of ₹ 35,000, Stamp duty value of which is	3,52,000
05.02.14 Cash gift from his friend A	58,000
18.02.14 Cash gift from his friend E without consideration, Stamp duty value of which	48,000
04.03.14 Gift of a motor cycle from friend B for a consideration of ₹ 35,000, fair market value of which is	53,000
15.03.14 Gift of jewellery by friend C without consideration, fair market value of which is	30,000

- (ঘ) Mr. Bahadur is the owner of 4 house properties in Kolkata. From the following particulars, compute his income from house property for the previous year 2013-14.

House No.	A	B	C	D
How used	Tenant's Business	Tenant's Residence	Own Residence	Own Business
Gross Municipal Value (₹)	40,000	30,000	30,000	20,000
Rent received (₹) p.m.	3,000	2,750	—	—
Fair Rent (₹)	38,000	35,000	32,000	25,000
Repair expenses (₹)	5,000	—	2,000	1,000
Interest on Loan (₹)	—	15,000 (paid)	25,000 (unpaid)	—
Municipal tax paid (10%)	6 Quarters (with pre- vious 2 quarters)	5 Quarters (with coming 1 quarter)	4 Quarters —	4 Quarters —
Vacancy period	2 months	—	3 months	—

He has mortgaged the house A for taking a loan but the amount is fully used for construction of house B.

- (ঙ) 'অগ্রিম কর প্রদান' বলতে কি বুঝ ? কাকে এরকম কর প্রদান করতে হয় ? ইহা কিভাবে নির্ধারণ করবে ? ২+২+৪
- (চ) কে 'কর ফেরৎ' দাবী করতে পারে ? কিভাবে এবং কখন এরকম দাবী করা যায় ? ২+৩+৩
- (ছ) (i) 'আয়ের খাত' ও 'আয়ের উৎস'-এর মধ্যে তফাৎ কি ?
(ii) 'পূর্ববর্তী বৎসর ও নির্ধারন বৎসর একই'—দুটি উদাহরণ সহযোগে ব্যাখ্যা করো।
(iii) 'Belated return' এর উপর টীকা লেখো। ২+৩+৩

(জ) (i) TAN কি ?

(ii) দুটি নির্দিষ্ট উদাহরণ দাও যেখানে PAN উল্লেখ করা বাধ্যতামূলক নয়।

(iii) 'কর পরিকল্পনা' বলিতে কি বোঝ ?

(iv) নিম্নলিখিত আয় দুটি কৃষিগত আয় কিনা বল—

(A) নির্ধারীর দ্বারা চা উৎপাদন ও প্রস্তুতকরণের পর বিক্রয় থেকে আয়।

(B) কৃষিজমি বিক্রয়ের লাভ থেকে আয়।

৪×২

(ঝ) From the following particulars of Mrs R (aged 36 years) for the Previous Year 2013-14, compute her total income and tax liability if she is (a) resident in India and (b) non-resident in India :

	(₹)
Income from salary (computed)	3,25,000
Income from house property (computed)	(-) 38,000
Income from business (computed)	95,700
Deductions u/s 80C & 80G	20,000
Tax relief u/s 89 in respect of arrear salary received	2,040

(ঞ) From the following information, compute the taxable income of Shri chowdhury for the A.Y. 2014-15, assuming that he is a (i) resident but not ordinarily resident and (ii) non-resident.

A. Remuneration for consultancy services rendered in Italy ₹ 30,000 but received in India.

- B. Income from business in Ireland and received in Ireland ₹ 65,000. The business, however, is controlled from India.
- C. Pension for services rendered in India but received in Israel ₹ 25,000.
- D. Interest on deposit in a local bank in Indonesia and also received in Indonesia ₹ 20,000.

৩। যে-কোনো দুইটি প্রশ্নের উত্তর দাও : ১৫×২

(i) From the following particulars compute total income of Mrs X for the A.Y. 2014-15, who is working in a private limited company :

- (a) Basic Pay as per scale of pay Rs. 8,000—400—10,000—600—16,000. She is appointed on 01.12.07;
- (b) D.A. @ 50% of basic;
- (c) Car allowance @ ₹ 800 p.m. but she spent ₹ 700 p.m. for hiring of cars in performance of her official duties, on an average;
- (d) Medical allowance @ ₹ 500 p.m. She spent ₹ 4,500 during the year for medical treatment of her family members;
- (e) Children education allowance @ ₹ 300 p.m. for each of her 3 children. Actual expenditure for education of children @ ₹ 800 p.m. each on an average;
- (f) Entertainment allowance @ ₹ 600 p.m., but she spent @ ₹ 500 p.m. for entertaining of customers of office.
- (g) She and her employer each contributed 15% of her basic salary to recognised provident fund. Interest credited to this fund @ 8.5% p.a. on 31.03.14. amounted to ₹ 14,250;

- (h) She is provided with a rent-free accommodation at Howrah, the fair rent of which is ₹ 2,000 p.m. Furniture provided by the employer costing ₹ 25,000.
- (i) Her employer paid regularly through her the wages of sweeper @ ₹ 400 p.m., durwan @ ₹ 500 p.m. & Cook @ ₹ 300 p.m.;
- (j) Her employer also reimburses gas bills of ₹ 3,000, electricity bills of ₹ 6,000 and club bills of ₹ 10,000 during the year;
- (k) The employer deposited on her behalf professional tax @ ₹ 130 p.m. and income @ ₹ 2,000 p.m.
- (l) During the year she received bank interest from fixed deposit ₹ 8,500, interest from savings bank accounts ₹ 7,000, dividend from an Indian company ₹ 7,000 and interest on deposit with a company ₹ 6,000. She paid ₹ 9,000 as mediclaim premium, paid LIC premium of ₹ 8,000 on her husband's life, donated ₹ 10,000 to National Defence Fund and contributed ₹ 5,000 to Ramkrishna Mission.
- (ii) (ক) VAT এর মূল বৈশিষ্ট্যগুলি ব্যাখ্যা করো।
 (খ) 'রাজ্য বিক্রয় কর' ও বিক্রয়ের উপর VAT এর তফাৎ কি?
 (গ) VAT এর সুবিধা ও অসুবিধাগুলি আলোচনা করো। ২+৫+৪+৩
- (iii) PAN কি? নির্ধারিতকৈ PAN পাওয়ার জন্য কিভাবে দরায়ায়ত করতে হবে?
 কোন্ কোন্ ক্ষেত্রে PAN উল্লেখ করা বাধ্যতামূলক? ২+৭+৬
- (iv) Following is the Profit & Loss A/c of S.N.D for the year 31.03.14 :

	Rs.		Rs.
To Opening Stock	78,000	By Sales	5,35,000
" Purchase	3,85,500	" Closing Stock	1,16,000
" Wages	34,050	" Bad Debt recovered	2,000
" Rent	12,000	" Bank Interest	8,500
" General charges	16,500	" Interest from	
" Charities & Donation	2,500	US 64 Bonds	3,500
" Salaries	64,600	" Interest on Invest-	
" Bad Debt	3,000	ment in NSC	1,050
" Reserve for Bad Debt	6,200	" Profit on sale of	
" Depreciation	10,500	machinery	4,000
" Income tax	3,900		
" Legal expenses	6,200		
" Interest on Capital	8,000		
" Net Profit	39,100		
	<u>6,70,050</u>		<u>6,70,050</u>

Additional informations :

- Both the opening and closing stock valued at 10% below cost;
- Claim for bad debt includes an item of ₹ 2,000 due from Jadavlal since 15.09.10. He is solvent and no recovery proceedings have been taken against him;
- Legal expenses include ₹ 2,000 for I.T appeal case and ₹ 3,000 penalty paid for infringement of custom's regulations;
- The entire amount of charities and donations was made to the Govt. of India for family planning;
- Depreciation admissible as per I.T Rules amounts to ₹ 8,000

Compute the total income of S.N.D., a resident individual and the sole-proprietor of the business for the A.Y. 2014-'15.

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[অভ্যন্তরীণ মূল্যায়ণ — ১০ নম্বর]