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**DATE: 17/10/2017**

**TIME: 11.00 AM TO 12.30 PM**

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# PAPER 1: INCOME FROM SALARY

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**1)** Salary of Thakur (Rs. 40,000 per month) becomes due on the last day of the month but is paid on 7$^{th}$ of next month. Also, salary of April 2017and May 2017 is received in advance in March 2017. What will be his gross income for Assessment Year 2017 – 18?

**2)** Gabbar, a resident of Pune, receives Rs. 48,000 as basic salary during the previous year 2016 – 17. In addition, he gets Rs. 4,800 as dearness allowance forming part of basic salary, 7% commission on sales made by him (sale made by X during the relevant previous year is Rs. 86,000) and Rs. 6,000 as house rent allowance. He, however, pays Rs. 5,800 as house rent. Determine the quantum of house rent allowance exempt from tax .

**3)** Full loss Ltd. has advanced and interest free loan of Rs. 5,00,000 to Mr. Garib for purchase of car on 01/05/2016. Mr. Garib has been repaying the loan in instalments of Rs. 20,000 p.m. on the 1$^{st}$ of next month. Compute the value of perquisite on account of interest assuming the interest charged by SBI is 10% p.a.

**4)** Mr. Tappu retires from PQR Co. on June 30, 2016. He gets pension of Rs. 2,000 per month upto January 31, 2017. With effect from Feb. 1, 2017, he gets 3/4$^{th}$ of pension commuted for Rs. 30,000. He gets a gratuity of Rs. 50,000 at the time of his retirement. Total Pension chargeable to tax as salary is –

**5)** Mr. Pani, resident at Surat receives Rs. 10,000 p.m. as basic salary; Rs. 1,500 as dearness allowance and 3% commission on turnover achieved by him. He is paid a house rent allowance of Rs. 1,500 p.m. The turnover achieved for him for the year is 10,00,000. House rent paid by him Rs. 1,750 p.m. He received advance salary of Rs. 45,000 in March, 2017 relating to the period between April, 2017 and July, 2017. The house rent allowance that is taxable for him is:

**6)** Mr. Salman Joshi joined A Ltd. for a salary of Rs. 5,000 p.m. on 01/04/2014. In the year 2015 – 16 his increment decision was pending. On 01/04/2016, his increment was finalized as for 2015 – 16: Rs. 1,000 p.m. and for 2016 – 17 Rs. 1,500 p.m. Such arrear salary received on 05/.04/2016. Find Gross taxable salary. Further, salary of April 2017 has also been received as advance salary on 15/03/2017.

**7)** Mrs. Rani Saheb was appointed on 01/01/2013 in the scale of Rs. 7,000 – 2,000 – 13,000 – 2,500 – 18,000. Compute her basic salary for the assessment year 2017 – 18.

**8)** Mr. Dull Suhana is working with X Ltd. and Y Ltd, both being not covered by the Payment of Gratuity Act. On 01/07/2016, He retired from both companies after 30 years of service. His last ten months average salary from X Ltd. was Rs. 4,000 p.m. and that from Y Ltd. Rs. 3,000 p.m. On retirement, he received gratuity Rs. 4,00,000 from X Ltd. and Rs. 3,00,000 gratuity from Y Ltd. Compute his taxable gratuity.

**9)** Mr. Dangal has the following salary structure

- Basic Salary - Rs. 5,000 p.m.
- DA – Rs. 3,000 p.m. (60% forms a part of retirement benefit)
- Entertainment Allowance – Rs. 1,000 p.m.
- education Allowance – Rs. 500 p.m. (he has three children)
- Bonus – Rs. 10,000 p.a.
- Fees – Rs. 5,000 p.a.
- professional tax of employee paid by employer – Rs. 2,000 for the year

He has been provided a rent-free accommodation in Mumbai.

Compute taxable value of accommodation in the hands of Mr. Dangal if the employer hires such accommodation at a monthly rent of Rs. 900.

**10)** Mr. Surya Sinhgam being a government employee has a car (1.7 ltr) used for office as well as for personal purpose. During the year, he incurred Rs. 40,000 on maintenance and Rs. 20,000 on driver's salary. The entire cost is reimbursed by employer. Find taxable perquisite.

**11)** Kick Ltd. reimburses the following expenditure on medical treatment of the son of an employee Salman. The treatment was done at UK:

- Travelling expenses Rs. 1,15,000.
- Stay expenses at UK permitted by RBI Rs. 45,000 (Actual expenses Rs. 70,000).
- Medical expenses permitted by RBI Rs. 50,000 (Actual expenses Rs. 70,000)

Compute the taxable perquisites for the assessment year 2017 – 18 in the hands of Salman, if his annual income from salary before considering medical facility perquisite is Rs. 2,00,000.

**12)** Find basic salary of Mr. Favde having the following salary structure:

- Net basic salary received – Rs. 1,00,000
- deduction from salary 10% of basic salary as contribution to RPF
- TDS – Rs. 9,000
- Repayment of earlier loan – Rs. 35,000

**13)** Mr Aawara joins a service in the grade of Rs. 15,600 – 39,100 plus grade pay of Rs. 6,000 on 01/08/2016. He also gets dearness allowance @ 107% of salary. His tax liability for assessment year 2017 – 18 will be –

**14)** Deep Ltd. transfers a Honda city car to its employee Unhappy after using it for 4 years and 10 months, for Rs. 2,10,000. Cost of the car is Rs. 1,00,00,000. The value of taxable perquisite in the hands of Unhappy is –

**15)** Suresh, an employee of Gauri & Co. of Delhi, received the following payments during the previous year ended 31st March, 2017:
Basic salary: Rs. 2,40,000 and dearness allowance: 40% of basic salary (40% forming part of salary). Rent-free unfurnished accommodation provided by employer being Rs. 50,000. The value of taxable perquisite in the hands of Suresh will be -