



[4247] – 105

Seat No.	
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Diploma in Taxation Law Examination, 2012
BOOK KEEPING AND ACCOUNTANCY (Paper – V)
(2006 Course)

Time : 3 Hours

Max. Marks : 100

- N.B. :** 1) Question No. 1 is **compulsory** and carries **20** marks.
2) Answer **any five** of the remaining carrying **16** marks **each**.

1. From the following information prepare Trading and Profit and Loss Account of Patel for the year ended 31st March 2012 and Balance Sheet as on the date.

Trial Balance as on 31-3-2012

	Dr.(₹.)	Cr. (₹.)
Patel's Capital		35,000
Purchases and Sales	75,000	1,25,000
Returns	2,700	1,300
Debtors and Creditors	46,000	30,000
Bank Overdraft		10,000
Stock (1-4-2011)	30,000	
Drawings	11,000	
Miscellaneous expenses	675	
Wages	3,500	
Salaries	5,600	
Travelling expenses	660	
Advertisement	420	
Rent, Rates and Insurance	2,800	
Bad debts	400	
Discount	300	
Interest and Commission	215	
Building	6,000	
Plant and Machinery	10,000	
Furniture	5,000	
Cash in hand	1,030	
Total	2,01,300	2,01,300

P.T.O.



Adjustments :

- 1) Stock on 31st March 2012 ₹. 45,000
 - 2) There were outstanding liabilities in respect of Rent of ₹. 250 and wages ₹ .200.
 - 3) Insurance paid in advance amounted to ₹. 150 and salaries were unpaid to the extent of ₹. 350.
 - 4) Write-off ₹. 400 as further bad debts and provide for doubtful debts at 5% on Sundry Debtors.
 - 5) Depreciate Building by 2.5%, Machinery by 7.5% and Furniture by 10%.
2. Shri. Pratap Patil has kept his books under single system. Following information is obtained from his books.

Particulars	1-4-2011	31-3-2012
	(₹.)	(₹.)
Cash at Bank	1,500	–
Debtors	12,000	15,000
Stock in Trade	18,000	12,000
Furniture	1,000	1,200
Loose Tools	1,800	1,800
Creditors	15,000	14,000
Bank Overdraft	–	3,000

During the year he has withdrawn from business ₹. 5,000 of which ₹. 3,000 are spent in purchasing shares of Pragati Trade Ltd., as business investment. Loose Tools are to be written off by 20%.

Charge depreciation on furniture at 10% and make Reserve for debts at 5% on debtors.

Prepare :

- 1) Statement of affairs,
- 2) Statement of Profit/Loss for the year ending 31-3-2012.



3. The Balance Sheet of Pravin and Prashant were in partnership sharing profits and losses in the ratio 3 : 1 is as follows :

Balance Sheet as on 31st December, 2011

Liabilities	Amount	Assets	Amount
Bills Payable	6,000	Cash	20,000
Banks Overdraft	6,500	Stock	8,000
Sundry Creditors	24,000	Furniture	8,000
Capitals :		Sundry Debtors	16,000
Pravin	20,000	Plant and Machinery	20,000
Prashant	20,000	Land and Buildings	9,500
General Reserve	5,000		
	81,500		81,500

Atul is taken as partner on 1st January, 2012 on the following terms :

- 1) Atul will pay ₹. 15,000 as his capital for share in future profit and ₹. 5,000 as his share as goodwill.
- 2) Furniture be depreciated by 10%.
- 3) Stock be appreciated by 10% and plant and machinery by 20%.
- 4) 5% provisions for bad and doubtful debts be created on sundry debtors.
- 5) The capital account of all the partners be adjusted in their new profit sharing ratio.

Prepare :

- a) Profit and Loss Adjustment Account
- b) Partner's Capital Account
- c) Balance Sheet of the new firm.

4. Rectify the following errors :

- 1) A sale of goods to Raja Ram for ₹. 5,000 was passed through the purchases book.
- 2) Salary of ₹. 1,600 paid to Hari Babu was wrongly debited to his Personal A/c.
- 3) Furniture purchased on credit from Mohan Singh for ₹. 2,000 was entered in the Purchases Book.
- 4) ₹. 10,000 spent on the extension of building was debited to Buildings Repairs Account.
- 5) Goods returned by Mani Ram ₹. 2,400 were entered in the Returns Outward Book.



5. Enter the following transactions in a Simple Cash Book.

January 2012		₹.
1	Cash in hand	5,000
3	Received from Mr. B	500
6	Received from Nandu	370
8	Paid to Mahesh on Account	750
10	Made Cash Purchases	1,500
17	Sold goods to Shirish for cash	350
22	Purchased Furniture for Office use	300
25	Received for Interest on Debentures	75
27	Paid electricity charges	25
29	Paid rent	150
31	Paid salaries to staff	570

6. On 31st March, 2012, the Cash Book of Shri Girdhar Chandak showed a balance of ₹.14,000, but the Bank Pass Book showed a different balance. On comparing the Cash Book with the Pass Book, the following discrepancies were noticed.

- 1) Cheques of ₹. 300, ₹. 200 were issued on 25th March 2012, but both the cheques were presented for payment on 5th April, 2012.
- 2) Cheques of ₹. 600 received from the customers were paid into the Bank, but they were collected on 1st April, 2012.
- 3) Mr. Trustworthy directly deposited ₹.300 into the Bank Account, the entry of the same was made in the Cash Book on 4th April, 2012.
- 4) The Bank has debited the Pass Book by ₹.10 for Bank charges. The corresponding entry of the same was not found in the Cash Book.

Prepare a Bank Reconciliation Statement as on 31st March, 2012.

7. Write short notes on (any 3) :

- 1) Single entry System
- 2) Drawings
- 3) Two column Cash Book
- 4) Creditor
- 5) Goodwill

8. Journalise the following transactions in the books of Shriram, May, 2012.

May 2012

- 1 Started business with cash of ₹. 6,000
- 5 Deposited into Bank ₹. 1,300
- 9 Purchased goods for cash ₹. 800 from S. Mohan and Co.
- 11 Spent ₹.15 for postage
- 17 Paid for Travelling ₹.32
- 19 Purchased Machinery from M/s. Kelkar Bros. ₹. 1,200
- 24 Paid salary by cheque ₹. 225
- 28 Paid rent ₹. 230.



[4247] – 101

Seat No.	
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Diploma in Taxation Law Examination, 2012
(2006 Course)
Paper – I : GENERAL LAWS AFFECTING TAXATION

Time : 3 Hours

Max. Marks : 100

N.B.: 1) ***All questions are compulsory.***
2) ***Figures to the right indicate full marks.***

1. Examine the salient features of the Constitution of India. 15
OR
1. Define “Money Bill” and state the procedure for passing of a money bill in Parliament. 15
2. State and explain the sources of Hindu Law. 20
OR
2. Discuss the following :
 - a) General Rules of Succession in case of a female Hindu. 10
 - b) Rights of Coparceners. 10
3. Define “Partnership” and discuss the essential characteristics of a valid partnership under the Partnership Act, 1932. 15
OR
3. Examine the provisions relating to relation of partners to one another. 15
4. State the explain the classification of trust. 10
OR
4. Explain the powers and duties of trustees under the Indian Trust Act, 1882. 10

P.T.O.



5. A) Explain the concept of Immovable Property and state the essentials of a valid transfer of property under the Transfer of Property Act, 1882. **10**

OR

5. A) Define the term 'Gift' and explain the essentials of a valid gift. **10**

5. B) State and explain the kinds of Evidence under the Indian Evidence Act, 1872. **10**

OR

5. B) Define "Burden of Proof". Discuss the general principles of burden of proof. **10**

6. A) Explain the procedure of execution of privileged wills under the Indian Succession Act, 1925. **10**

OR

6. A) Define "Probate" and state the Provisions relating to "Letters of Administration under the Indian Succession Act, 1925. **10**

6. B) Explain the provisions relating to issue and service of summons to the defendant under the Code of Civil Pocedure. **10**

OR

6. B) Discuss the application of Doctrine of Res-Judicata to Taxation Laws. **10**



[4247] – 102

Seat
No.

D.T.L. Examination, 2012
Paper – II : INCOME TAX ACT, 1961
(2006 Course)

Time : 3 Hours

Max. Marks : 100

N.B. : 1) Question No. 1 is **compulsory** and carries **20** marks.
2) Answer **any five** of the remaining carrying **16** marks **each**.

1. Mr. Prakash is employed in a firm of Mumbai and he furnished the following particulars of income for the previous year 2010-11.
 - 1) Basic salary Rs. 15,000 pm.
 - 2) Dearness allowance Rs. 6,000 p.m. (out of this 2000 pm. consider for retirement benefits).
 - 3) Bonus Rs. 40,000.
 - 4) Entertainment allowance Rs. 1000 pm.
 - 5) Interest on R.P.F. @ 13% Rs. 39,000.
 - 6) Employer's contribution to R.P.F is 15% of salary.
 - 7) He is provided with furnished accommodation at Mumbai by the employer. Cost of furniture is Rs. 50,000. Rent paid for accommodation by Mr. Prakash is Rs. 2,000 p.m.
 - 8) Hospital bill reimbursed by the employer Rs. 12,000.
 - 9) He has been provided with the facility of sweeper, watchman and servant who are paid by the employer Rs. 1,500 pm., Rs. 1,800 p.m. and Rs. 1,700 p.m. respectively.
 - 10) He has been provided with a car (1800 cc) for both official and private purpose. Running and maintenance expenses are borne by the employer.
 - 11) Gas, electricity and water bills paid by employer Rs. 12,000.
 - 12) Professional tax paid Rs. 2,500

Compute his taxable income from salary for the A.Y 2011-12.

P.T.O.



2. From the following information given by Mr. Arun compute the taxable income from the house property for the A.Y 2011-12.

	House A	House B
a) Municipal value	1,10,000	1,07,000
b) Fair Rent	1,20,000	1,00,000
c) Standard Rent	1,26,000	1,20,000
d) Actual Rent Received	1,32,000	1,06,000
e) Municipal Tax	18,000 (due)	20,000 (paid)
f) Repairs	6,000	8,000
g) Insurance	3,000	4,000
h) Land revenue (paid)	4,000	2,000

Interest on capital borrowed by mortgaging House A (funds are used for construction of House B Rs. 30,000).

3. What are the different categories of assessee according to their residential status? How is this status determined.
4. How is 'Annual Value' determined u/s. 23 of the Income Tax Act? Explain the deductions allowable in computing 'Income from House property'.
5. Discuss the scope of the 'Income from other sources'. State the deductions allowable.
6. Discuss at least ten deductions allowed from gross total income u/s 80 C to an individual.
7. Discuss the powers of the Commissioner of Income Tax under the Income Tax Act, 1961.
8. Write short notes on **any three** :
 - a) Advance payment of tax
 - b) Best Judgement Assessment
 - c) Income chargeable under the head business
 - d) Previous year
 - e) Person.



[4247] – 103

Seat
No.

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Diploma in Taxation Laws Examination, 2012
Paper – III : WEALTH TAX ACT, CENTRAL EXCISE ACT AND SERVICE TAX
(2006 Course)

Time : 3 Hours

Max. Marks : 100

N.B.: a) ***All questions are compulsory.***
b) ***Figures to the right indicate full marks.***

1. Examine the provisions regarding Deemed Assets under the Wealth Tax Act, 1957. **16**
OR
1. Explain the provisions relating to assessment under the Wealth Tax Act, 1957. **16**
2. State the provisions of the Wealth Tax Act, 1957 with regard to 'Payment and Recovery of Wealth Tax'. **16**
OR
2. What are the powers and functions of the Wealth Tax Authorities under the Wealth-Tax Act, 1957 ? **16**
3. Summarize the provisions of the Wealth-Tax Act, 1957 with regard to "Prosecutions". **18**
OR
3. Examine the provisions relating to References and Appeals under the Wealth-Tax Act, 1957. **18**
4. When does 'Registration' under Section 6 of the Central Excise Act, 1944 become compulsory ? When is an assessee exempt from Registration ? **15**
OR
4. Define the term Excisable goods and explain the valuation of excisable goods for purposes of charges of duty of excise under the Central Excise Act, 1944. **15**

P.T.O.



5. Examine the provisions relating to 'Recovery of slums due to Government' under the Central Excise Act, 1944. **15**

OR

5. Discuss the following with reference to the Central Excise Act, 1944.
- a) Consumer Welfare Fund and utilization of the Fund. **8**
 - b) Presumption as to documents. **7**
6. Explain **any two** of the following with reference to Service Tax : **20**
- a) Taxable Service
 - b) Valuation of Taxable Services for Charging Service Tax
 - c) Restification of mistake
 - d) Power to grant exemption from Service Tax.



[4247] – 104

Seat No.	
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Diploma in Taxation Law Examination, 2012
Paper – IV : CENTRAL SALES TAX ACT AND THE MAHARASHTRA
VALUE ADDED TAX ACT - 2002
(2006 Course)

Time : 3 Hours

Max. Marks : 100

N.B. : a) Question No. **9 (Nine)** is **compulsory**. Out of the remaining attempt **any five** questions.
b) Figures to the right indicate **full** marks.

1. Define the following terms with reference to the Central Sales Tax Act, 1956 : **16**
 - a) Dealer
 - b) Goods
 - c) Sale
 - d) Works Contract.
2. State the provisions relating 'Liability to tax on Inter-State sales' under the central Sales Tax Act, 1956. **16**
3. Examine the provisions relating to 'Registration of dealers' under the central Sales Tax Act, 1956. **16**
4. Discuss the following :
 - a) When is a sale or purchase of goods said to take place in the course of Import or Export ? **8**
 - b) Levy and collection of Tax and penalties. **8**
5. Explain the provisions regarding different kinds of 'Assessment' under the Maharashtra Value Added Tax Act, 2002. **16**

P.T.O.



6. Explain the following terms under the Maharashtra Value Added Tax Act, 2002 : **16**
- a) Agriculture and to cultivate personally.
 - b) Brand name.
7. Critically examine the provisions relating to 'Appeals' under the Maharashtra Value Added Tax Act, 2002. **16**
8. What are the provisions of the Maharashtra Value Added Tax Act, 2002 with regard to offences and penalties ? **16**
9. Write short notes on **any three** of the following : **20**
- a) Determination of Turnover under the C.S.T Act.
 - b) Company in liquidation under the Central Sales Tax Act.
 - c) Refund under the Maharashtra Value Added Tax Act, 2002.
 - d) Package scheme of Incentives under the Mah. VAT.
 - e) Exemption from Payment of Tax under Mah. VAT.
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