



DEEPAK GUPTA CLASSES

98104 88450, 9899221902

TEST SERIES – SALARY 1

Q1. Mr. Rakesh is working with an MNC whose registered office is in Paris and is providing services in India since 01.02.2004 in the scale of 4200-600-7200 along with the following remuneration:

a) Children Hostel Allowance (3 Children)	900 p.m.
b) Dearness Allowance @ 15% out of which 50% forms part for gratuity	
c) Medical Allowance	1,000 p.m.
d) Diwali Bonus @ 2 months salary	
e) Commission	500 p.m.
f) Rent free accommodation worth	4,000 p.m.
g) Servant Facility (employed by Rakesh)	800 p.m.
h) Arrears of 2000-2001 received	5,000
i) Employer's contribution to URPF @ 17%	
j) Interest on Employer's contribution @ 12.5%	1,000

The company also paid his professional tax liability of Rs.3,000 to the Maharashtra Govt. He also incurred car expenditure of Rs.2,000 p.m. to go from office to home and out of this Rs.1,000 was reimbursed by the company. Calculate his Net income from salary for the P.Y. 2008-2009.

(10 Marks)

Q2. Ms. Monika worked as senior advisor in a company and retired on 15 November, 2008 on a monthly salary of Rs.8,000. Her last increment was on 01.06.2008 of Rs.1,000. She also received D.A. @ 25 % of salary along with following emoluments:

a) CCA	650 p.m.
b) Transport Allowance	900 p.m.
c) Uniform Allowance (Uniform purchased for Rs.4400)	6,000
d) Research Allowance (she spent 4,000 in sep'08 & 1,500 in jan'09)	1,000 p.m.
e) Air conditioner for which employer paid 800 per month rent.	
f) She was allowed to use company car for which she herself paid for expenses along with a driver. The same car was transferred to her on retirement for Rs.75,000. (Original cost was Rs.225,000) (June 2005 Model 800cc)	



DEEPAK GUPTA CLASSES

98104 88450, 9899221902

- g) She also repaid her interest free loan of Rs. 100,000 taken for her child's education, on retirement which was taken on 01.01.2008.

On retirement she received 125,000 as payment from RPF and Rs.50,000 as gratuity for total service of 29 years and 6 months. She also received Rs.100,000 as leave encashment for total un-availed leaves of 200 days as she was allowed 45 days for each year. Calculate his gross salary for the A.Y. 2009-2010.

(15 Marks)

Q3. Mr. Kailash an employee of a company, furnishes the following particulars of his salary for the previous year as under:

- | | |
|--|----------------------|
| a) Basic Salary | 12,000 p.m. |
| b) Dearness Allowance | 1,200 p.m. |
| c) Employee's contribution to RPF | 10 % of Basic Salary |
| d) Employer's contribution to RPF | 15 % of Basic Salary |
| e) Interest credited to PF @ 11% p.a. | 5,500 |
| f) Professional Tax deducted from his salary | 40 p.m. |

He has been provided with a house for which the company collects Rs. 1,000 p.m.. The fair rent of the house is Rs. 8,000 p.a. . The company has also reimbursed the expenditure of Rs. 24,000 on the motor car owned by Mr. Kailash which is used partly for official and partly for personal purposes. He received Rs. 6,000 as travel concession for himself and his family for the third consecutive time after 01.01.2002 for his holiday trip. He had also received Rs. 5,000 as expenses for going to Hometown for 2 trips.

Calculate his net salary.

(10 Marks)