



DEEPAK GUPTA CLASSES

98104 88450, 9899221902

TEST SERIES

SALARY, OTHER SOURCES, DEDUCTIONS U/S 80

(Max. Marks 40)

Q.1 X, a director of ABC (P) Ltd. receives the following during the pervious year 2008-09.

	Rs.
Basic Salary	2,40,000
Dearness Allowance (not forming part for Retirement benefits)	24,000
Advance salary for Two months	40,000
Project Allowance	20,000
Employer's Contribution towards recognized Provident Fund	36,000
Interest credited in Provident Account @ 13.5%	2,700
Conveyance Allowance (40% is used for official purpose)	12,000
Education Allowance for 3 children	7,200
Rent free furnished house in Delhi, Rent of furniture (Rs.15,000)	
Reimbursement of Medical bills	18,000
Free services of gardener and watchman (Salary paid by employer 8000 and 4000 respectively)	

On March 10,2009 the Company sells furniture for Rs.250,000 (the furniture was purchased by the company on June 30, 2004 for Rs.4,00,000). His income from business is Rs. 1,80,000. He makes the following investments.

1. Own contribution towards 40,000 provident fund.
2. Contribution towards National 25,000 Saving Certificates VIII issue.
3. Insurance premium paid Rs. 15,000 on the Life Insurance Policy of Major son.

Determine his taxable salary and total income for the assessment year 2009-10.

(10 Marks)



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Q.2. X, an employee working in a private company in Jaipur, retired on 31-01-09 after rendering service of 20 years. The following formation is given for the financial year 2008-09:

	Rs.
Basic Salary	25,000 p.m.
Dearness Allowance (forming part for retirement benefits)	2,500 p.m.
Hostel expenditure Allowance for 3 children	1,200 p.m.
Transport Allowance	900 p.m.
Free car facility expenditure incurred by employer	500 p.m.
Free gift from employer (value)	8,000
House Rent Allowance	8,000 p.m.
Medical Allowance	500 p.m.
Lunch Allowance	200 p.m.
Reimbursement of gas and electricity bills	2,000
Pension (1/3 of the pension is commuted)	3,000 p.m.
Commuted Pension	2,00,000
Gratuity	3,85,000

He made the following Investments/contribution:

- Donation to Prime Minister National relief Fund Rs. 20,000.
- Insurance Premium on the Life Insurance Policy of his wife Rs. 15,000
- Contribution towards public provident fund Rs. 5,000. Determine his taxable salary and taxable income for the Assessment year 2009-10.

(15 Marks)

Q.3. Mr. Zed is employed with PQR Ltd. on a monthly salary of Rs.15,000. She has been provided with the following perquisites:

- Rent free accommodation at Delhi with fair rental value of Rs. 60,000

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- (ii) A mobile phone and a fixed line telephone at her residence. The bills reimbursed by the company during the previous year amounted to Rs.25,000.
- (iii) On the eve of silver jubilee celebrations of the company she got a gift worth Rs. 12,000 from the company.
- (iv) She was allowed to use the Video Camera and Laptop belonging to company. The company had purchased these assets for Rs.75,000 and Rs.1,50,000 Respectively.
- (v) She was given a chauffeur driven car (1.6 cc) for private and official use. All expenses of running and maintenance including driver's salary were paid by the company.

She also drew the following allowances:

- (i) Dearness allowance (50% forms the part of basic pay) Rs. 5,600 p.m.
- (ii) Education allowance for 2 children Rs. 300 per child
- (iii) Transport allowance Rs. 1,000 p.m.

During the year she got reimbursement from the company Rs.20,000 spent on the medical treatment of her husband at a private nursing home.

She made the following payments and contributions:

- (i) Life Insurance Premium paid Rs.12,000 against a policy taken on the life of her husband and her married daughter.
- (ii) Paid Rs.15,000 to Prime Minister National relief Fund to help Tsunami victims.
- (iii) Contributed Rs.2,500 p.m. to Recognised provident Fund, employer contributing an equal sum.

You are required to compute:

Gross Salary income; (ii) Net Salary; (iii) Qualifying amount for deduction u/s 80C.

(15 Marks)