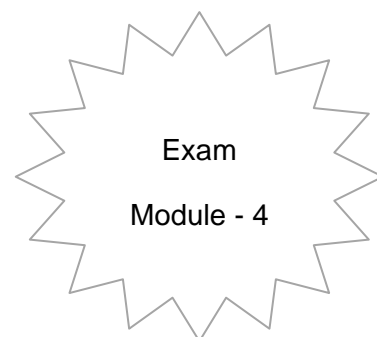
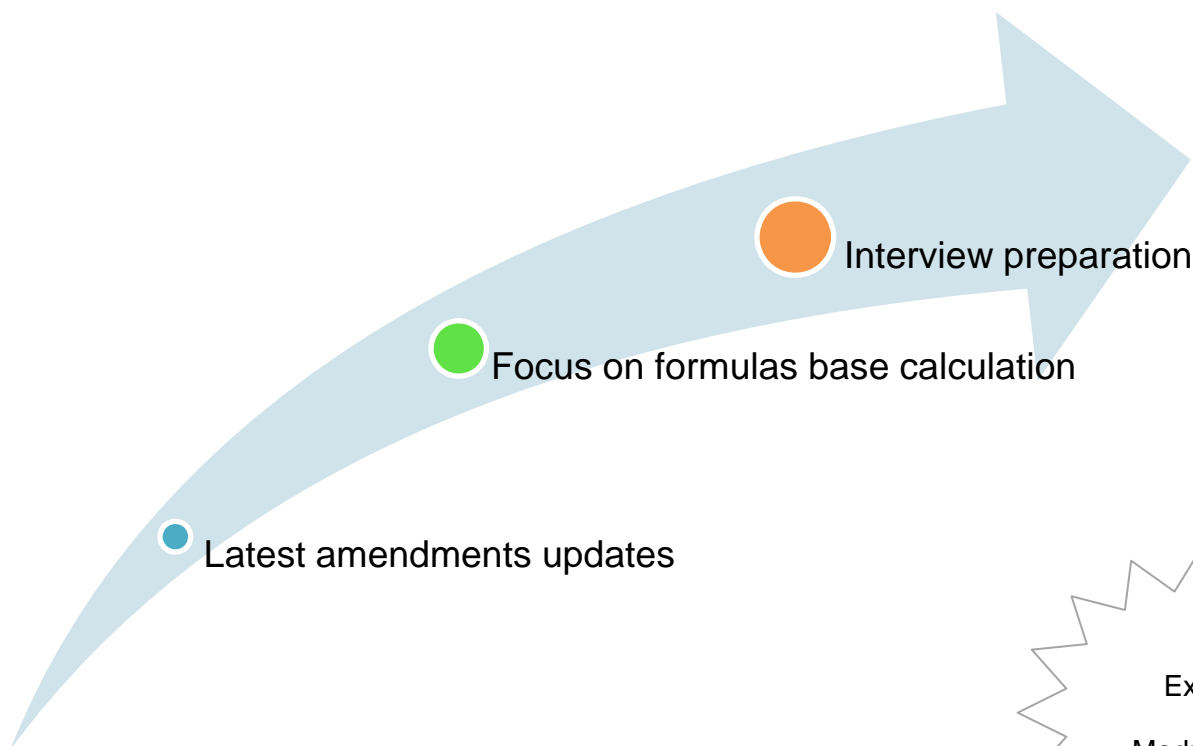


2017-18 v.01

# USA

## UNSOLVED SCANNER APPENDIX

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**NOTE :** All references to sections mentioned in Part-A of the Question Paper relate to the Income-tax Act, 1961 and the relevant Assessment Year 2018-19 unless stated otherwise.

## PART A

[Objective Prashans]

(Answer Question No.1 which is compulsory)

1. (i) Which of the core department of Payroll Management Function?

(1 mark each)

A. Finance and Account

B. Sales and Marketing

C. Human Resources

D. HR Recruitment

(ii) What is the PF contribution percentage rate of an Employee?

A. 25.15%

B. 24%

C. 13.15%

D. 12%

(iii) What is the ESIC contribution percentage rate of an Employer?

A. 4.75%

B. 1.75%

C. 6.0%

D. 2.25%

(iv) Minimum service period required for payment of gratuity.

A. 4.6 Years

B. 2.5 Years

C. 4.8 Years

D. 3.5 Years

(v) What is the maximum limit of tax-free gratuity u/s 10(10) (ii)?

A. 300000

B. 1100000

C. 1500000

D. 2000000

**(vi)** What is the maximum limit of Leave Encashment Exemption u/s 10(10AA) for private sector?

- |                        |                         |
|------------------------|-------------------------|
| <b>A.</b> Fully Exempt | <b>B.</b> 350000        |
| <b>C.</b> 300000       | <b>D.</b> Fully Taxable |

**(vii)** How many exemptions of leave travel allowance can be claimed in a LTA block without carry forwarded?

- |                        |                        |
|------------------------|------------------------|
| <b>A.</b> 3 Exemptions | <b>B.</b> 5 Exemptions |
| <b>C.</b> 2 Exemptions | <b>D.</b> 4 Exemptions |

**(viii)** What is maximum limit of Investment deductions u/s 80C for FY 2017-18?

- |                  |                  |
|------------------|------------------|
| <b>A.</b> 150000 | <b>B.</b> 100000 |
| <b>C.</b> 200000 | <b>D.</b> 250000 |

**(ix)** What is annual maximum limit for non-taxable income for Medical reimbursement in a F.Y.?

- |                 |                 |
|-----------------|-----------------|
| <b>A.</b> 1250  | <b>B.</b> 18000 |
| <b>C.</b> 15000 | <b>D.</b> 10000 |

**(x)** What is maximum limit u/s 80E for interest payment of Education loan in a F.Y.?

- |                 |                    |
|-----------------|--------------------|
| <b>A.</b> 60000 | <b>B.</b> No limit |
| <b>C.</b> 25000 | <b>D.</b> 150000   |

**(xi)** How much loss from house property u/s 24B can be set off with salary income in a FY?

- |                     |                  |
|---------------------|------------------|
| <b>A.</b> Unlimited | <b>B.</b> 200000 |
| <b>C.</b> 250000    | <b>D.</b> 150000 |

**(xii)** What is last date of Provident Fund Payment for a month?

- |  |  |
|--|--|
| <b>A.</b> 7 <sup>th</sup> of Next Month  | <b>B.</b> 15 <sup>th</sup> of Next month |
| <b>C.</b> 12 <sup>th</sup> of Next Month | <b>D.</b> 21 <sup>th</sup> of Next Month |

**(xiii)** What is the last date of salary TDS quarterly return for January - March QTR?

- A. 15<sup>th</sup> May
- B. 30<sup>th</sup> April
- C. 15<sup>th</sup> June
- D. 31<sup>st</sup> May

**(xiv)** Which annual form shall be issued to the employee if salary includes Perks/benefit?

- A. Form 24Q
- B. Form 16
- C. Form 12BA
- D. Form 12BB

**(xv)** In-which state Professional Tax is not applicable?

- A. Maharashtra
- B. Bihar
- C. Rajasthan
- D. West Bengal

**(xvi)** What is the correct Employee Labour Welfare Contribution rate in Haryana State for a month?

- A. 10
- B. 20
- C. 5
- D. 7

**(xvii)** Maximum Marginal tax rate shall be applying instead surcharge rates if

- A. Income less than 50 Lakh
- B. Surcharge tax amount more than income
- C. Income more than 1 CR
- D. Never applicable

**(xviii)** What is the surcharge rate if taxable Income more than 50 Lakhs and Less than 1CR?

- A. 20%
- B. 10%
- C. 30%
- D. 15%

**(xix)** Which alphabet shall be 4<sup>th</sup> Number place in permanent Account Number for an Individual?

- A. S
- B. C
- C. H
- D. P

**(xx)** Which software is required for salary return validation?

- A. OLTAS
- B. RPU
- C. EXCEL
- D. FVU

## PART B

[Theoretical Prashans]

**Question 2:** According to Section 17(1), of Income tax Act, 1961 salary includes the **following** amounts received by an employee from his employer, during the previous year.

- (a) Discuss and explain which items can be includes in **following** word as given above. **(2 marks)**  
(b) Explain Allowances [Section 17(3)] in terms of fully exempted and fully taxable for Salary Computation. **(3 marks)**

**Question 3:** According to Section 17(2), of Income tax Act, 1961 salary includes the value of any perquisite allowed or amenity provided by employer to employee. Explain the following with their calculation:- **(8 marks, 2 marks each)**

- (a) Value of car Perk calculation in case employee has employer's car for 1900CC for 10 month 9 days.  
(b) Value of CLA in case employee stay on rent of 8000PM and his gross taxable salary is 180000 of 12 months.  
(c) Value of gift perk as gift distribution twice in a financial year @4500.  
(d) Value of Loan Perk for current financial year as employee has taken salary advance for 36 month @7000PM recoverable on 2<sup>nd</sup> day of 2<sup>nd</sup> month of current financial.

**Question 4:** According to Section 10, of Income tax Act, 1961, calculate exemptions of following items for tax free income to compute salary. **(8 marks)**

- (a) Calculate HRA exemptions u/s 10(13A) of following example:- **(5 marks)**

Mrs. Laxmi Sharma is working with Google India Pvt Ltd since May 2005 and she is stay on rent in New Delhi with her family. She is paying rent Rs. 18200 per month including Rs. 200/- as electricity charges. Monthly Pay Particulars given as:-

Basic Salary : 31500, House Rent allowance : 15000, Conveyance allowance : 1600, Other allowances: 31900.

- (b) Calculate leave encashment Exemption u/s 10(10AA) of following example:- **(3 marks)**

Mr. Piyush Yadav has left Google India Pvt Ltd on 15 August 2017; he has joined this company on 23 April 2005. His last monthly basic salary was 36000 after 20% increment, which was due in 1 April 2017. Leave balance are 46.5 days for encashment at the time of leaving and encashment shall be calculated on 26 days based.

OR

- (c) Calculate Gratuity and Tax-free Gratuity u/s 10(10) as per above given example of Mr. Piyush Yadav. **(3 marks)**

**Question 5:** Ms. Neha Mishra got joining offer from ABC Computer Pvt Ltd for Rs. 14000 per month Net In Hand (after all applicable deductions and compliances) effective from 1 April 2017. She is under unskilled category in Gujarat State. You are required to prepare her Cost to Company annexure (Basic salary percentage is 50% of CTC and Bonus payable at maximum rate) and calculate monthly Professional Tax deduction from her salary every month. **(10 marks)**

**Question 6:** Mr. John Cena is International worker; he has joined Justoncall Services Private Limited on 01-August 2017 at Mumbai branch. Following are his salary details. **(15 marks)**

Fixed Components	Monthly
Basic Salary	186667
HRA	93333
Conveyance Allowance	1600
Special Allowance	152438
Medical Reimbursement (Non taxable)	1250
<b>Gross Salary Total</b>	<b>435288</b>
Provident Fund shall be calculate as per rules	
ESIC shall be calculate if applicable	
Maximum Bonus shall be calculate if applicable	
Gratuity shall be calculate as per rules	

- (a) You are required to calculate his net payment salary for August 2017. **(5 marks)**
- (b) You are required to calculate his net payment salary for December 2017 assuming that he is say on rent@80000 per month in Mumbai from 1 December to March 2018. **(5 marks)**
- (c) You are required to calculate his net payment salary for March 2018 assuming that his property owner is not given him permanent account number to submit in company hence he is not getting house rent exemption benefit and figure our total tax deduction for FY 2017-18. **(5 marks)**

**Question 7:** Calculate annual income tax for financial year 2017-18 of Mrs. Jiya Pandey as per given details.

Monthly Basic: 78000, HRA: 39000, Special Allowance: 12000 = Monthly Fix Gross: 129000.

Annual Investment Declaration: PF: 12% of Basic, 5 Years' FD: 60000, PPF: 80000, NPS : 35000. **(10 marks)**

**Question 8:** For the financial year 2017-18, gross total income of Mr. Vikas Maurya is 12,50,700. During the financial year he has made the following payments: **(10 marks)**

- (a) Contribution to recognized provident fund 38,000
- (b) Deposit to National saving Scheme 50,000
- (c) Interest payment of education loan 36,000
- (d) Deposit to Public Provident Fund 90,000
- (e) Medical insurance premium for self 20,000

Compute Taxable income of Mr. Vikas Maurya for the assessment year 2018-19.

**Question 9:** Re-write the following sentences after filling-in the blank spaces with appropriate word(s)/figure(s) :

**(4 marks, 1 mark each)**

- (a) Leave exemption is allowed at the time of leaving if employee has completed \_\_\_\_\_ year(s) in the same organization.
- (b) The aggregate amount of deduction under sections 80C and 80CCD cannot exceed \_\_\_\_\_.
- (c) Interest amount to be calculated on late deposit TDS at the percentage of \_\_\_\_\_%.
- (d) Leave Encashment received during service shall be \_\_\_\_\_.

**Question 10:** State, with reasons in brief, whether the following statements are true or false:

**(10 marks)**

- (a) No income tax is payable on taxable income Rs. 280000.
- (b) Income tax is always deducted by employer but deducted from employee.
- (c) Rebate Section 87A is not applicable to international worker and Non PAN holder.
- (d) Employer will deduct whole TDS on Annual Bonus Payment at the time of payment.
- (e) 20% tax is applicable on technical or professionals services charges u/s 194J.

\_\_\_\_\_ 0 \_\_\_\_\_