

Subject : Auditing & Taxation

Day : Saturday
Date : 01/10/2016

S.D.E.



Time : 3.00 P.M. TO 6.00 P.M.
Max Marks : 80 Total Pages : 2

N. B. :

- 1) All questions are **COMPULSORY**.
- 2) Figures to the right indicate **FULL** marks.
- 3) Answers to both the sections should be written in the **SAME** answer book.

SECTION - I

- Q. 1** Explain the following term under Income Tax Act. (**ANY FOUR**) (16)
- a) Person
 - b) Resident and Ordinarily Resident
 - c) Capital and Revenue Expenditure
 - d) Annual Value
 - e) Agricultural Income
 - f) Assessment year and previous year

OR

- Q. 1** The following are the particulars of the income of shri Ashok for the previous year ending on 31st March, 2016. (16)
- i) Salary Rs. 12,000/- per month.
 - ii) Contribution to recognized P.F. Rs. 1,610/- per month.
 - iii) Employer contributes the same amount as the employee contributes towards P.F.
 - iv) Dearness Allowance Rs. 300/- per month. It is not considered for computation of his retirement benefits.
 - v) Interest credited to P.F. @13 % is Rs. 13,000/-
 - vi) Contribution to public provident fund is Rs. 9,000/-
 - vii) Bonus Rs. 3,000/-
 - viii) Premium of life policy is Rs. 12,000/- on a policy of Rs. 1,00,000/-
 - ix) Deposited Rs. 4,800/- in equity linked saving scheme (ELSS)
 - x) Repayment to house building loan taken from HDFC (a govt. agency) Rs. 20,500/- during the year.

Find out taxable income of Shri Ashok for the assessment year 2016-17.

- Q. 2** Explain the term Auditing. What are the different types of Audit? (16)

OR

- Q. 2** What is meant by Internal Audit? Discuss the objectives and scope of Internal Audit. (16)

P. T. O.

SECTION – II

- Q. 3** Following is the Profit and Loss Account of Shri. Shrikant for the previous year ended 31-3-2016 (16)

Profit and Loss Account

Particulars	Rs.	Particulars	Rs.
To Salaries	2,56,500	By Gross Profit	8,00,000
To Rent	10,000	By Bank Interest	4,500
To Commission on Sales	1,000	By Bad debts recovered (last year allowed)	20,000
To Income Tax	26,000	By Income from house property	48,000
To Entertainment Expenses	6,000	By Interest on commercial securities	20,000
To Commission paid to collect interest on securities	250		
To Embezzlement by Cashier	10,000		
To Muncipal tax (House)	6,000		
To Bad Debts (allowed)	4,500		
To Repairs to house	16,250		
To Office expenses	91,800		
To Depreciation	50,000		
To LIC Premium	13,200		
To Net Profit	4,01,000		
Total	8,92,500	Total	8,92,500

Allowable Depreciation on the Assets in Rs. 45,000/-

Compute the taxable business income for the Assessment Year 2016-17.

OR

- Q. 3** Explain the meaning of Capital Assets under Capital Gain. What are the types of Capital Assets and Capital Gain? (16)

- Q. 4** What are the provisions with regard to appointment and removal of Company Auditor? (16)

OR

- Q. 4** Discuss the statutory powers and duties of company Auditor. (16)

- Q. 5** Write short notes on ANY TWO of the following: (16)

- Methods of Accounting
- Negative list of services under Service Tax Act
- Qualified Audit Report
- Audit Certificate

* * * * *