

**SET OFF & CARRY FORWARD OF LOSSES**

Q.1) Mr. Manthan informs you the following for the Assessment year 2018-19.

- i. Income from Salary Rs. 7,00,000.
- ii. Loss from House Property at Nasik Rs. 1,00,000.
- iii. Income from House Property at Mumbai Rs. 1,50,000.
- iv. Brought forward business loss-assessment year 2014-15 Rs. 50,000.
- v. Current Year Business Income Rs. 60,000.
- vi. Bank interest Rs. 30,000.

Determine total income and carry forward loss, if any.

Q.2) Ms. Mayuri submits the following information for the year ending:

Particulars	Rs.
Income from Salaries Rs. 10,000 p.m.	1,20,000
<b>Income from house property</b>	
LOP	1,00,000
SOP	20,000
<b>Profit &amp; gains from business</b>	
Loss from Business	65,000
<b>Capital gains</b>	
STCL	45,000
LTCG	15,000
<b>Income from Other Sources</b>	
Interest on Securities (NET)	36,000
TDS on Interest on deposit	4,000
Interest on loan borrowed to invest in securities	44,000

Q.3) Mr. X Submits the following information in relation to A.Y. 2018-19.

Particulars	Rs.
Income from Salary	2,00,000
<b>Income from house property</b>	
HP – I Profit	75,000
HP – II Loss	(1,00,000)
<b>Income from business</b>	
Loss from Business – I (Speculative)	(15,000)
Profit from business – II (Non – Speculative)	50,000
Loss From Business – III (Non – Speculative)	(10,000)
<b>Income from Capital gains</b>	
STCL	(60,000)
LTCG	80,000
<b>Income from Other Sources</b>	
Winning from Crossword puzzle	30,000

Q.4) Mr. Mallaya submits the following information in respect of A.Y. 2018-19. Calculate his Net Income. Also show losses to be carried forward.

Particulars	Rs.
Income from Salary	40,000
<b>Income from house property</b>	
HP – I	25,000
HP – II	(35,000)
<b>Income from business</b>	

Business – I (Non - Speculative)	54,000
Business – II (Non – Speculative)	(14,000)
<b>Income from Capital gains</b>	
LTCG	30,000
<b>Income from Other Sources</b>	
Interest on Debentures	1,000
Lottery Winnings	8,000

You are also informed that:

a. He spent Rs. 1,500 as collection charges towards interest on debentures (allowed to be deducted u/s Rs.57 as an expenditure).

b. He has following carried forward losses.

<b>Particulars</b>	<b>Year</b>	<b>Amount</b>
	<b>Rs.</b>	<b>Rs.</b>
Business Loss	2013-14	10,000
LTCL	2014-15	30,000

Q.5) Balbir, a resident individual, submits the following information relevant for the previous year ending March 31, 2018.

<b>Particulars</b>	<b>Rs.</b>
<b>Income from Salary</b>	16,00,000
<b>Income from House Property</b>	
House – I	70,000
House – II	(52,000)
House – III (Self occupied)	(25,000)
<b>Profit and gains of Business or Profession:</b>	
Business – I	2,00,000
Business – II	(75,000)
Business – III (Speculative)	(60,000)
<b>Capital gains:</b>	
STCL	(83,000)
LTCG on transfer of shares	70,000
<b>Income from Other Sources:</b>	
Income from card games	80,000
Loss on Maintenance of Horses race	(1,20,000)
Income from owning and maintaining camels race	2,00,000

Determine the Net Income for the assessment year 2018-19.

Q.6) Mr. Aarez gives you the following details for the financial year 2017-18 from which you are required to calculate his total income liable to tax for the Assessment year 2018-19.

<b>Particulars</b>	<b>Rs.</b>	<b>Particulars</b>	<b>Rs.</b>
<b>Brought forward:</b>		<b>Brought forward:</b>	
Business loss	(20,000)	Income from HP:	(75,000)
<b>Current Year:</b>		<b>Current year:</b>	
STCG (shares)	5,000	LTCG	
IFHP	1,50,000	(Debentures)	(25,000)
Salary	50,000	(Gold)	(7,000)
		Business Loss	(75,000)

## COMPUTATION OF TAX LIABILITY OF INDIVIDUAL &amp; HUF

✚ **Format:**

Name of The assessee: \_\_\_\_\_

A.Y. : \_\_\_\_\_ P.Y. : \_\_\_\_\_  
 Legal Status : \_\_\_\_\_ Residential Status : \_\_\_\_\_

Particulars	Rs.	Rs.
<b>I. Income from Salary</b>		
<b>II. Income from House property</b>		
a) LOP		
b) SOP		
<b>III. Income from Business/Profession</b>		
<b>IV. Income from Capital Gains</b>		
a. LTCG		
b. STCG		
<b>V. Income from Other Sources</b>		
<b>Gross Total Income (I+II+III+IV+V)</b>		
<b>Less: Deduction under chapter VI A</b>		
i. U/S 80 C		
ii. U/S 80 CCC		
iii. U/S 80 D		
iv. U/S 80 DD		
v. U/S 80 DDB		
vi. U/S 80 E		
vii) U/S 80 U		

Q.1) Mr. Madan, a disabled as is certified by medical authority person furnishes the following information regarding his house property:

Particulars	House I	House II
Fair Rent	40,000	60,000
Municipal Valuation	55,000	50,000
Rent Received	60,000	-
Municipal tax:		
Paid by Tenant	4,000	-
Paid by Mr. Madan	6,000	5,000
Interest on capital borrowed (due but not paid) for the purpose of construction of house property	6,000	13,000
Ground rent	2,000	-
Insurance Premium Paid	1,500	-
Other Information as follows:		
Interest from Debentures in L & T Ltd.	1,37,000	
Dividend from UTI	5,000	
Bank interest from SBI	3,500	
Winning from Lottery	1,70,000	
Interest from Post-office Saving A/c	5,000	
Dividend from Co-operative society	5,000	

Compute the Total Income of Mr. Madan for the Assessment Year 2018-19.

Q.2) Hari, a Chief Executive appointed on a Contract of 2 years by a company, furnishes the following particulars of his income for the financial year ending 31<sup>st</sup> March, 2017. Compute his Total Income for the A.Y. 2018-19.

**A. Salary Particulars:**

Particulars	Rs.
i. Basic Pay and Dearness Allowance	6,48,000
ii. Other Allowances:	
a. Taxable Education Allowance	3,000
b. House Rent Allowance	12,000
c. Servant Allowance	1,500
d. Gas, Electricity, Water supply	1,500
e. Conveyance allowance for private purpose	6,000

**B.** He resides in his own house, the annual letting value of which is Rs. 18,000. The Municipal tax thereon is Rs. 3,000 per annum.

**C. Interest Income:**

Particulars	Rs.
a. PPF	1,000
b. On Fixed Deposits with Bank	11,000

**D. He has invested the following amounts out of his income:**

Particulars	Rs.	Rs.
a. Deposited into pension Plan of LIC		13,000
<b>b. Mediciam Insurance Premium paid on the Life of:</b>		
i. Dependent Son	1,000	
ii. Wife	2,000	3,000

Q.3) From the following details and information, compute the total income of Ms. Reena individual, for the A.Y. 2018-19.

**Profit & Loss Account for the Year ended 31.3.2018**

Particulars	Rs.	Particulars	Rs.
To Staff Salaries, Bonus etc.	32,000	By Trading Profit	10,60,000
To Drawings for Household Expenses	12,000	By rent from portion Let Out	24,000
To Life Insurance Premium paid	6,000	By Share of Profit from Partnership firm	8,000
To Contribution to PPF	5,000	By Receipt from HUF as member of HUF	1,500
To Depreciation on assets used in Business	21,000		
To Advertisement expenses	6,000		
To Printing & Stationery	3,000		
To Net income for the Year	10,08,500		
	<b>10,93,500</b>		<b>10,93,500</b>

**Further Details:**

a. An Analysis of the fixed assets, ledger revealed the following:

i. Ms. Reena had purchased an accounting machine in June 2002 for Rs. 36,000. Its written down value, as per Income-Tax records, as on 1.4.2015 was Rs. 22,110. In October 2015, it was sold for Rs. 38,110.

ii. Depreciation available on other fixed assets for the current year, as per Income-tax Rules was Rs. 18,000.

b. Included in salaries was salary of Rs. 6,000 drawn by Ms. Reena and a payment of Rs. 4,800 to his brother's son, who was a student of the tenth standard and did not attend to Ms. Reena's business.

c. Ms. Reena owned two house properties – the first of which was used half for running the business and the other half was let out at Rs. 2,000 p.m. The second property was wholly used as a residence by Ms. Reena. Municipal taxes for the two properties were the same at Rs. 4,800 per annum. The business and the

let out premises were insured against loss by fire and the annual insurance premium was Rs. 600. The payment of Municipal taxes and the insurance premium was included in household expenses. Interest on let out property is Rs. 25,456 and the principal repayment is Rs. 94,000.

d. Included in Advertisement is personal expenses of Rs. 1,500.

e. Ms. Reena paid Rs. 12,000 for medical treatment of specified disease.

4. Compute the taxable income of Mr. Subhash for the Assessment Year 2018-19.

Particulars	Rs.
Net Income from Chemical Business	1,25,00,000
Interest on Saving Bank Account	900
Share of Profit from a Partnership Concern	5,22,000
Short term Capital gains on Land	24,000
Long term capital gains on house Property	1,20,000
Share of Income from HUF in which he is a member	2,82,000
Winning from Horse race	10,000
<b>Interest on bank Deposits:</b>	
- Deposit in his own name	4,000
- In the name of minor son	1,300
Amount for Medical treatment	49,000
Amount paid to ICICI pension Plan.	12,000

Q.5) Mrs. Lisa aged about 66 years is a finance manager of M/s. Lakme & Co. based at Calcutta. She is in continuous service since 2005 and receives the following salary and perks from the company during the year ending 31.3.2018.

a. Basic Salary (50,000 x 12) = Rs. 6,00,000.

b) DA (20,000 x 12) = Rs. 2,40,000

c) Bonus – 2 months Basic Pay

d) Commission 0.1% of the Turnover of the company. The Turnover for the financial year 2014-15 was Rs. 15 crores.

e) Contribution of the employer and employee to the PF account Rs. 3,00,000 each.

f) Interest credited to PF Account at 8.5% - Rs. 60,000.

g) Rent free unfurnished accommodation provided by the company for which the company pays a rent of Rs. 70,000 per annum.

h) Entertainment allowance – Rs. 30,000.

i) Children's education allowance to meet the hostel expenditure of the children – Rs. 15,000 (exempt Rs. 7,200)

j) Professional tax paid Rs. 2,500.

**She makes the following payments and investments:**

i. Premium paid to insure the life of her major son – Rs. 15,000

ii. Medical Insurance premium for self – Rs. 12,000 and spouse Rs. 5,000.

iii. LIC Pension fund – Rs. 18,000.

**Determine the Net Taxable Income for the A.Y. 2018-19.**

Q.6) From the following particulars furnished by Mr. Dhan, aged 65 years, for the previous year ending 31.3.2018, compute the taxable income for A.Y. 2018-19.

i. He owns a house property in Metro City. The fair rental value per annum is Rs. 27,000 and the Municipal value is Rs. 24,000.

ii. The house was let out from 1.4.2017 to 31.8.2017 at a monthly rent of Rs. 2,100. From 1.9.2017 Mr. Dhan occupies for his residence.

iii. Expenditure incurred on property and paid:

a. Municipal tax Rs. 4,000.

- b. Fire Insurance Rs. 2,500.  
 c. Land revenue Rs. 4,600.  
 d. Repairs Rs. 1,000.  
 iv. Interest paid on borrowings for construction:  
 a. For the year Rs. 1,51,600  
 b. Proportionate Pre-construction interest Rs. 12,960  
 c. Principal repayment of Loan Rs. 40,040.  
 v. Income from Firm (Partnership firm A/c) as partner:
- |                     | Rs.      |
|---------------------|----------|
| Salary              | 5,25,000 |
| Interest on Capital | 4,20,000 |
| Share Income        | 1,35,000 |
- vi. He contributed Rs. 6,500 annuity Pension plan of LIC.  
 vii. Mr. Dhan paid Rs. 65,000 for medical treatment of his brother.

Q.7) The Income related particulars of Mr. Coorg, aged 56, for the year ended 31.03.2018 are given below:

- i. Salary Rs. 24,000 per month.  
 ii. He was provided with a rent-free accommodation in Hyderabad for which rent of Rs. 6,000 per month was paid by his employer.  
 iii. His sick wife's treatment was taken from a private hospital, for which an amount of Rs. 32,000 paid towards medical expenses by his employer in December, 2017.  
 iv. An allowance of Rs. 13,200 was paid by his employer towards his son's education;  
 v. The employer paid DA Rs. 10,000 p.m. (considered for retirement benefits), professional tax of Rs. 2,400 and Income – tax liability of Rs. 15,000.  
 vi. He encashed earned leave to his credit to the tune of Rs. 10,000.  
 vii. Loss from speculative business Rs. 20,000.  
 viii. Loss from sale of shares in ABC Pvt. Ltd. held for ten months Rs. 8,000.  
 ix. Profit on sale of Long term capital assets Rs. 10,000.  
 Compute the Total Income of Mr. Coorg for the assessment year 2018-19.

Q.8) Income of Mr. Bipin from Securities of State Government is Rs. 1,39,000. He owns two house Properties particulars of which are given below:

Nature of Occupancy	SOP	LOP
Annual Rent	-	5,40,000
<b>Expenses:</b>		
Repairs	1,000	40,000
Collection charges	-	1,500
Municipal taxes	1,000	20,000
Insurance	400	12,000
Ground rent	500	10,000

He contributed Rs. 1,05,000 to PPF and spent Rs. 76,000 on his disabled daughter fully depended on him. Compute the taxable income of Mr. Bipin for the A.Y. 2018-19.

Q.9) Mr. Dinesh is a disabled person certified by medical authority, owning a general store. His profit & Loss A/c for the year ended 31<sup>st</sup> March, 2018 is given below:

Particulars	Rs.	Particulars	Rs.
To Purchases	6,20,000	By Gross Sales	15,00,000
To Salary to Staff	26,000	By Rent Received	48,000
To Embezzlement of Cash	31,000		

To Repairs of House Property	12,000		
To Collection charges of rent	1,500		
To Medical Insurance Premium paid for self	10,000		
To Municipal taxes of house property	5,000		
To Income Tax	6,500		
To RDD	14,000		
To Net Profit	8,22,000		
	<b>15,48,000</b>		<b>15,48,000</b>

Compute his taxable income of Mr. Dinesh whose age is 82 years for the A.Y. 2018-19.

Q.10) Mr. Rajendra is an employee of M/s Raj Oil Mills Pvt. Ltd. During the year ended 31<sup>st</sup> March, 2018 he received a net salary of Rs. 3,60,000 after making the following deductions:

- Income tax Rs. 19,000.
- Total deduction in respect of contribution to recognized provident fund Rs. 40,000.
- Total deduction in respect of contribution to LIC Premium Rs. 41,000.
- Professional tax Rs. 2,500.
- During the year he incurred expenditure in cash of Rs. 8,000 towards expenditure on preventive health check up.

During the year he earned the Interest of Rs. 15,000 from securities of Rs. 15,000 from securities of Central Government and Rs. 16,500 by way of interest on fixed deposits with Canara Bank.

*During the year he also made the following investments and payments:*

- ICICI Pension Plan Rs. 15,000.
- Investment in NSC Rs. 60,000.
- Life Insurance Premium paid Rs. 30,000.
- Deferred Annuity Plan Rs. 30,000.

Compute the taxable income of Mr. Rajendra for the A.Y. 2018-19.

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