

**Third Year Examination of the
Three Year Degree Course, 2001**

(Faculty of Commerce)

ACCOUNTANCY & STATISTICS

14(b) :Taxation

'Wealth Tax, Central and State Sales Tax'

Time : 3 Hours

[Maximum Marks :100]

Attempt any **five** questions,
selecting at least **one** question from each unit,
All questions carry equal marks.

UNIT-I

1. Mention the assets belonging to others but includable in the Net Wealth of an individual under the Wealth Tax Act. Give suitable illustrations.

2. Shri Naresh owns a house in Pune, the annual value of which as per municipal records is Rs. 80,000, but it is let out to Shri Ramesh for an annual rent of Rs. 70,000. The other particulars regarding this house are as under :

- (i) The total area of the plot of land on which the house is constructed is 800 square metres, but the built-up area is 136 square metres only.
- (ii) Rs. 2,000 were paid by Shri Naresh and Rs. 3,500 by Shri Ramesh towards the payment of municipal taxes for the previous year.
- (iii) Shri Ramesh spent Rs. 2,600 during the previous year for repairs of the house.
- (iv) Shri Ramesh has deposited Rs. 50,000 with Shri Naresh as security deposit on which no interest is payable.

- (v) The house is built on leasehold and the unexpired period of the lease is 72 years. According to the terms of the lease deed, the lease was granted for 99 years for an annual rent of Rs. 1,000. The present net maintainable rent of this land is Rs. 35,000. The rate of capitalisation for the purpose of valuation of this land is 7% and in the case of transfer of the house property 40% of the unearned increase in the value of the land is payable to the government.

You have come to know that according to the annuity tables Re. 1 would be Rs. 14.176 after 72 years and Rs. 14.268 after 99 years at the capitalisation rate of 7%. On the basis of the above information, determine the value of this house in the following cases:

(a) If the house has been constructed before 1-4-1974 and the actual cost is Rs. 10,00,000.

(b) If the house has been constructed after 31-3-1974 and the actual cost is Rs. 12,50,000.

UNIT-II

3. Discuss the liability for assessment in special cases under Wealth Tax Act.

4. When can an assessee be prosecuted under the Wealth Tax Act? Explain the various provisions regarding prosecution.

UNIT-III

5. What do you understand by Central Value Added Tax? Explain the CENVAT Credit in detail.

(A) Determine the assessable value for the purpose of levy of excise duty from the following particulars:

- (i) Cum duty selling price Rs. 10,000
- (ii) Rate of excise duty 16%
- (iii) Trade discount allowed Rs. 1,200
- (iv) Freight (Included in S.P.) Rs. 680

(B) A manufacturer prepared an invoice as under :

(i)	Price of goods	3,00,000
(ii)	Advertising and marketing expenses	80,000
(iii)	Outward handling charges	5,000
(iv)	Outward freight and insurance	20,000
(v)	Sales Tax	40,000
(vi)	Allowed discount @15% on price of the goods	

If the rate of Central Excise Duty is 24%, how much amount he should charge from the customer as duty?