

Required: ① Net (assessable) Income from Profession.

② Net (assessable) Income from Investment

③ Statement of Total Taxable Income

[10+3+2]

38. 2061 (C) Q. No. 11

The following is the Receipts and payment a/c of Mr. M, a music director, for the previous year.

Receipts	Rs.	Payments	Rs.
To Opening balance c/d	50,000	By Purchase of vehicle	200,000
To Lyric composition fees	200,000	By Office rent	20,000
To Music direction fees	100,000	By Remuneration to staff	100,000
To Rent from house (net)	75,000	By Office expenses	10,000
To Rent from agriculture land letout (gross)	20,000	By Telephone charges	1,000
To Interest on private money lending (gross)	30,000	By Donation to Music Association of Nepal	25,000
To Meeting allowance (net)	2,500	By Balance c/d	111,500

Additional information:

a. Interest on private money lending was not related to his profession.

b. Telephone was used partially for his domestic purpose.

Required: (1) Net (assessable) Income from Business/ Profession. (2) Statement Of Taxable total income

39. 2061 (C) Q. No. 16 OR

Mrs. T is a fashion designer by profession. She submitted the following receipts and payments statement of her professional work for the previous year.

Receipts	Rs.	Payments	Rs.
To Balance b/d	30,000	By Rent of office	24,000
To Fees from fashion designing	180,000	By Staff's salary	160,000
To Royalty from fashion show	100,000	By Purchase of sofa set for office	30,000
To Director's fee (net)	50,000	By Vehicle expenses	20,000
To Dividend received from Sugar Mills (net)	18,500	By Interest on loan @ 13% p.a.	26,000
To Loan from Nepal Bank	200,000	By Personal & domestic expenses	60,000
To Bingogame Win (net)	20,000	By Purchase of an old car	250,000
To Interest on taxable govt. securities (net)	23,500	By Donation to Pashupati Development Trust	15,000
To Gain on sale of private property	25,000	By Income tax paid for the current year in advance	15,000
To Rent from letting out machinery (group D)	20,000	By Repair expenses on machinery let out (Group D)	12,000
		By Balance c/d	55,000
	667,000		667,000

Additional information:

a. Loan was taken for professional purpose, however 25% of loan was used for her personal purpose.

b. Depreciation base of machinery was Rs. 250,000 on opening date.

c. Investment on government securities was made from her ancestor property.

d. Machinery was not related to her professional work.

e. Car was used partially for domestic as well as professional work.

f. Car expenses of Rs. 30,000 has not been paid yet.

g. Charge depreciation on car as per rule.

Required: (a) Net (assessable) income from profession. (b) Net (assessable) income from investment. (c) Statement of total taxable income.

[10+3+2]

40. 2061 (C) Q. No. 16

Given below is the Trading and Profit and Loss Account of Mr. S, a Trader, for the previous year.

Particulars	Rs.	Particulars	Rs.
To Opening stock	1,50,000	By Sales	18,50,000
To Purchase	7,50,000	By Closing stock	2,50,000
To Freight	1,00,000		
To Custom duty	50,000		
To Gross profit c/d	10,50,000		
	<u>21,00,000</u>		<u>21,00,000</u>
To Staff salaries	4,00,000	By Gross profit b/d	10,50,000
To Office expenses	50,000	By Gain on sale of business asset	1,00,000
To Bonus to staff	20,000	By Royalty from natural resources	1,00,000
To Commission on sale	10,000	By Amount accepted for business restriction	50,000
To Bad debts	4,000	By Bad debts recovered	20,000
To Telephone charges	10,000	By Commission received	2,000
To Discount	20,000		
To Advertisement expenses	20,000		
To Donation to Bir Hospital	2,00,000		
To Pollution control cost	3,00,000		
To Travelling & daily expenses	50,000		
To Advance income tax for the current year	40,000		
To Net profit	1,98,000		
	<u>13,22,000</u>		<u>13,22,000</u>

Additional information:

- Office expenses include Rs. 10,000 spent by the proprietor for his domestic use.
- 25% of bad debts was not allowed for deduction due to lack of evidence.
- A car was purchased on Kartik previous year at a cost of Rs. 12,00,000. It was used equally for both private as well as official purpose. Depreciation on car is to be charged.
- 30% of bad debts recovered was allowed previously.

Required:

- Net (assessable) income from business.
- Net (assessable) income from investment.
- Statement of Total Taxable Income.
- The term 'royalty' cannot be used for natural resource payment.

[10+3+2]

41. 2061 (F) Q. No. 12

The following is the Receipts and Payments account of a lawyer for the previous year.

Receipts and Payments Account			
Dr.	Rs.	Cr	Rs.
To Balance b/d	50,000	By Salary to staff	50,000
To Consultancy fee	1,50,000	By Office expenses	30,000
To Legal fees	1,20,000	By Interest collection charges (profession)	500
To Commission relating to legal work	30,000	By Domestic expenses	15,000
To Income from agriculture	60,000	By Collection charges on government securities	1,000
To Interest on fixed deposit	40,000	By Telephone & electricity charges	5,000
To Interest received related to his profession	4,000	By Donation to a public school	10,000
To Interest on non-taxable government securities	15,000	By Balance c/d	3,57,500
	<u>4,69,000</u>		<u>4,69,000</u>

Required:

- a. Net (assessable) income from profession.
b. Statement of total taxable income.

[5]
[2]

42. 2061 (F) Q. No. 16

The Trading and Profit & Loss Account of Mr. Pradhan for the previous year is given below:

Dr. Trading & Profit and Loss Account Cr.

Particulars	Rs.	Particulars	Rs.
To Opening stock	3,00,000	By Sales	30,00,000
To Purchase	12,00,000	By Closing stock	1,00,000
To Wages	300,000		
To Custom duty	50,000		
To Gross profit c/d	12,50,000		
	31,00,000		31,00,000
To Office salaries	2,00,000	By Gross profit b/d	12,50,000
To Printing & stationery	30,000	By Interest	40,000
To Legal expenses	30,000	By Miscellaneous income	60,000
To General expenses	1,50,000	By Agriculture income	10,000
To Interest on loan	50,000	By Dividend received (net)	25,000
To Depreciation on plant	40,000	By Amount received for accepting restriction of business	35,000
To Life insurance premium	15,000	By Bad debts recovered	10,000
To Provision for tax	10,000	By Gain on sale of non-business asset	70,000
To Miscellaneous expenses	30,000		
To Research and development cost	50,000		
To Discount allowed	3,000		
To Donation	60,000		
To Bad debts	6,000		
To Advertising	10,000		
To Net profit	8,16,000		
	15,00,000		15,00,000

Additional information:

- Purchase of trading goods includes Rs. 2,50,000, the value plant purchased on Aswin of previous year beginning depreciation base amount of plant was Rs. 50,000. No part of plant was sold during the previous year.
- Legal expenses include Rs. 5,000 spent for domestic case.
- Half of interest was paid to financial institutions.
- 20% of donation was paid to non-approved institution by IRD.
- 60 percent of bad debts recovered was allowed previously.
- General expenses include Rs. 50,000 paid for electricity and telephone charges for business purpose.
- Life insurance premium includes Rs. 5,000 paid for fire insurance premium.

Required:

- Net (assessable) income from business.
- Net (Assessable) income from investment.
- Statement of total net income.
- Tax liabilities (ignore special fee)

[10]
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43. 2061 (F) Q. No. 16 OR

The following Receipts and Payments account of an auditor is given below:

Receipts and Payments Account

For the income year 2059/60

Dr. Receipts	Rs.	Payments	Rs.
To Balance b/d	170,000	By Office salaries	150,000
To Audit fees	450,000	By Office expenses	60,000
To Consultancy fees	150,000	By Office rent	15,000

To Commission relating to audit work	30,000	By Car expenses	6,000
To Interest on fixed deposit from NBL (net)	10,000	By Life insurance premium	7,000
To Sale of furniture	30,000	By Purchase of newspapers & journals	12,000
To Gifts & presents from clients	10,000	By Income tax paid in advance	4,000
To Interest on govt. securities (net)	13,000	By Donation to tax exempt organization	15,000
To Dividend received (net)	18,000	By Purchase of stationery	7,000
To sale of newspapers & journals	6,000	By Travelling expenses	4,000
To Director's fees (net)	8,000	By Miscellaneous expenses	5,000
		By Domestic expenses	10,000
		By Pollution control cost	30,000
		By Balance c/d	570,000
	8,95,000		8,95,000

Adjustments:

- Half of car expenses was paid for personal purpose.
- Office salaries include Rs. 10,000 paid to domestic cook.
- 20 percent of donation was given to an organisation which was not approved by IRD.
- 25 percent travelling expenses was paid for his son's academic tour.
- Half of domestic expenses is spent for general expenses.
- Allowable depreciation for the year was Rs. 5,000 not shown in account.
- Gain on sale of non-professional assets of Rs. 50,000 not shown in account.

Required:

- Net (assessable) income from profession.
- Net (assessable) income from investment.
- Statement of taxable total income.
- Tax liability (ignore special fees)

[10]

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44. 2060 (C) Q. No. 7

The following receipts and payment a/c of an auditor is given to you for the previous year.

Receipts	Rs.	Payments	Rs.
To balance b/d	10,000	By rent of office	10,000
To audit fees	150,000	By stationery purchased	5,000
To fees received from accounting work	80,000	By salary to assistant	10,000
To sale proceeds from accounting journals	500	By purchase of furniture	8,000
To dividend received from NBL (Gross)	20,000	By purchase of professional journals	800
To sale of furniture	10,000	By donation	1,000
To interest on investment	5,000	By balance c/d	240,700
	275,500		275,500

Required: ① Net income from profession ② Statement of total income

[5+2]

45. 2060 (C) Q. No. 13

The income statement of a Housing Company engaged in construction and renting out house properties for the previous year is as under.

Dr.		Profit and Loss Account		Cr.	
Particulars	Rs.	Particulars	Rs.		
To commission to broker for letting the houses	60,000	By rent received	600,000		
To repairs	80,000	By interest on tax free govt's bonds	50,000		
To income tax in advance	15,000	By additional fees received from tenants	100,000		
To insurance premium	30,000				
To local tax	10,000				
To reserve for tax	20,000				

To donation	40,000		
To interest on loan	50,000		
To cost of construction of a new house	200,000		
To net profit	245,000		
	750,000		750,000

Additional information:

- 50% of donation was given to the Pashupati Area Development Trust.
- Interest was paid to an indigenous banker without proper registration.
- During the year the Housing Co. had received dividend Rs. 10,000.
- Construction cost includes Rs. 10,000 rent collection charges.

Required: ① Net income from house rent ② Tax liability

[6+1]

46. 2060 (C) Q. No. 16

Given below is the profit and loss account of a business man for the period ended 31st Ashadh.

Dr.		Profit and Loss Account		Cr.	
Particulars	Rs.	Particulars	Rs.		
To salary	700,000	By gross profit	1,600,000		
To rent	400,000	By discount	40,000		
To repairs	60,000	By dividend NB Ltd	50,000		
To income tax	20,000	By refund of custom duty	20,000		
To depreciation	10,000	By miscellaneous income	30,000		
To donation	15,000	By rent from property	60,000		
To reserve for tax	10,000				
To income tax in advance	15,000				
To interest on loan	60,000				
To furniture purchased	35,000				
To commission	18,000				
To general reserve	35,000				
To loss on sale of plant	32,000				
To entertainment	27,000				
To audit fees	26,000				
To bad debts	24,000				
To payment of VAT	65,000				
To Stationery	19,000				
To net profit	229,000				
	1,800,000		1,800,000		

Information for consideration are:

- Salary includes Rs. 150,00 paid to an accountant without deducting income tax at sources and Rs. 350,000 was paid to the manager without necessary approval of HMG/N.
- 50% percent interest was paid to a merchant without proper registration.
- Donation given to a public hospital was charged to P/L A/c whereas a donation of Rs. 20,000 given to a university has not been charged in the account.
- The life insurance premium for his own life Rs. 10,000 and Rs. 5,000 insurance premium on rented property paid were not charged to P/L a/c
- Payments of VAT includes Rs. 10,000 paid as custom duty..

Required: ① Net income from business ② Statement of total net income ③ Tax liability [10+2+3]

47. 2060 (C) Q. No. 16 OR

Mr. Bhandari is a practising lawyer at Biratnagar. He keeps his books on cash basis and his summarized receipts and payments-account for the year ended 31st Ashadh is as under:

Receipts and Payments Accounts

Receipts	Rs.	Payments	Rs.
To balance b/d	20,000	By salary to staff	120,000

To consultation fees	300,000	By rent of office	75,000
To legal fees	200,000	By entertainment	7,000
To director's fee (net)	30,000	By cost of furniture	23,000
To dividends	20,000	By office expenses	85,000
To loan from bank	200,000	By income tax	10,000
To lottery income	50,000	By car expenses	40,000
To agriculture income	40,000	By domestic expenses	30,000
To gain on sale of land	75,000	By repairs	15,000
To interest in advance	5,000	By interest on loan	35,000
To miscellaneous receipts from profession	55,000	By commission	55,000
		By balance c/d	500,000
	995,000		995,000

Additional information:

- Admissible amount of depreciation was of Rs. 10,000
- Domestic expenses include Rs. 10,000 tuition fee of his son and Rs. 10,000 price of stationery for official use.
- Interest was paid to a bank without proper registration.
- The lawyer had received special commission of Rs. 40,000 from a client but has not shown in income statement.
- Life insurance premium of Rs. 5,000 was paid on policy of his wife and charged to office expenses.

Required: ① Net income from profession ② Statement of total net income ③ Tax liability [10+2+3]

48. 2060 (F) Q. No. 9

Mr. Pant is a practising Chartered Accountant. He keeps his books of accounts on cash basis. The following is the summarized cash transaction for the previous year:

Receipts and Payments Account

Receipts	Rs.	Payments	Rs.
To balance b/d	50,000	By salary to staff	175,000
To audit fees	300,000	By rent of office	160,000
To consultancy fees	200,000	By purchase of computer	80,000
To royalty from book	100,000	By vehicle expenses	40,000
To dividends	30,000	By life insurance premium	10,000
To sale of furniture	20,000	By balance c/d	235,000
	700,000		700,000

Additional information:

- Depreciation allowance as per rules is Rs. 15,000
- Life insurance premium was paid for the insured sum of Rs. 100,000

Required: ① Net income from income ② statement of net total income

[5+2]

49. 2060 (F) Q. No. 16

Given below is the Trading and P/L Account of a partnership firm for the previous year ending ...

Dr.

Trading and Profit & Loss Account

Cr.

Particulars	Rs.	Particulars	Rs.
To opening stock	700,000	By sales	5,000,000
To purchase	2,500,000	By closing stock	500,000
To carriage	150,000		
To wages	900,000		
To gross profit	1,250,000		
	5,500,000		5,500,000
To rent	275,000	By gross profit	1,250,000
To salary	600,000	By commission	200,000
To general expenses	300,000	By dividends	50,000

To depreciation	65,000	By refund of VAT	20,000
To interest on loan	75,000	By house rent	80,000
To donations	35,000	By gain on sale of old furniture	10,000
To reserve for tax	10,000		
To repairs	10,000		
To fine and penalties	5,000		
To net profit	235,000		
	1,610,000		10,000

Additional information:

- Refund of VAT includes Rs. 5,000 for refund of income tax.
- Refund of custom duty Rs. 10,000 was not recorded.
- Opening stock was over valued by 5%
- General expenses include Rs. 10,000 for repairs of rented house.
- 50% interest was paid to a landlord but the loan document was not registered in revenue office.
- Donations include Rs. 10,000 given to Pashupati Area Development Trust.
- Bad debts of Rs. 5,000 was not recorded.

Required: ① Net income from business ② statement of total net income ③ Tax liabilities [10+3+2]

50. 2060 (F) Q. No. 16 OR

The receipts and payments account of Dr. Rama Singh, a medical practitioner, is given below:

Receipts and Payment Account

Receipts	Rs.	Payment	Rs.
To opening balance	50,000	By salary to assistants	120,000
To consultation fees	200,000	By car expenses	30,000
To visiting fees	100,000	By repair of house property	60,000
To gift from patients	10,000	By telephone	10,000
To operation charges	100,000	By electricity	10,000
To interest on fixed deposit (net)	9,400	By rent of office	24,000
To royalty from book	5,600	By bad debts	2,000
To gain on sale of medicine	50,000	By provision for bad debts	5,000
To rent from house let out	60,000	By income tax paid in advance for current year	30,000
To rent from the capital assets	10,000	By repair of equipments etc.	10,000
		By life insurance premium	10,000
		By donation	120,000
		By balance c/d	164,000
	595,000		595,000

Adjustments:

- Car was used for both domestic and professional purposes equally. Depreciation allowed was Rs. 12,000.
- 40% of telephone charge was related to personal use.
- Rent was paid to his own dwelling house and clinic has occupied 50% of the house.
- Electricity charge was for whole house.
- 40% of donation was given to renovate Myaglung Bazaar, Donation was paid through PM Relief Fund.

Required: ① Net income from profession ② Net income from other sources ③ Net income from house and land rent ④ Statement of total income [8+2+2+3]

51. 2059 (C) Q. No. 8

Following is the receipts and payments accounts of a lawyer for the previous year:

Receipts	Rs.	Payments	Rs.
To opening balance	50,000	By officer rent	30,000
To legal fees	200,000	By remuneration to staff	60,000
To gifts from clients	30,000	By officer expenses	10,000
To income from agriculture.	40,000	By collection charge of house rent	5,000
To rent from house let out	60,000	By life insurance premium (amount of insured sum Rs. 200,000)	15,000
To prize from car-race	20,000	By balance	280,000
	<u>400,000</u>		<u>400,000</u>

Required: Statement of total income

[7]

52. 2059 (C) Q. No. 16

The following is the Trading and Profit & Loss Account of Sri Kumar, a trader for the previous year.

Dr.		Trading and Profit & Loss Account		Cr.
Particulars	Rs.	Particulars	Rs.	
To opening stock	50,000	By sales	700,000	
To purchases	300,000	By closing stock	100,000	
To freight	70,000			
To rates & taxes	10,000			
To Gross profit	370,000			
	<u>800,000</u>			<u>800,000</u>
To office expenses	55,000	By gross profit	370,000	
To salary	150,000	By discount	30,000	
To rent	70,000	By bad debts recovered	20,000	
To bad debts	6,000	By dividend (net)	25,000	
To depreciation	20,000	By income from sub-letting a house	65,000	
To domestic expenses	10,000			
To repairs	15,000			
To legal expenses	7,000			
To advertisement	5,000			
To interest on loan	26,000			
To general reserve	14,000			
To carriage outward	28,000			
To income tax	18,000			
To discount	13,000			
To net profit	73,000			
	<u>510,000</u>			<u>510,000</u>

Additional information:

- Rent paid includes Rs. 20,000 paid for subletting the house.
- Unabsorbed business loss relating to previous assessment year was Rs. 30,000.
- 50% of bad debts recovered was not allowed for deduction.
- Depreciation was over charged by Rs. 2,000.
- Refund of custom duty paid previously was not adjusted.
- Salary includes Rs. 12,000 contribution to employee's provident fund.
- Office expenses include Rs. 6,000 life insurance premium paid on the life of the proprietor for the insured sum of Rs. 80,000.

Required:

- ① Net income from business ② Statement of Total net income ③ Tax liability

[10+2+3]

53. 2059 (C) Q. No. 16 OR

Mr. Ram Sharan Pandit adopted his professional carrier as a house priest. He submitted the receipts and payments relating to his profession for the previous year as under:

Receipts	Rs.	Payments	Rs.
To balance b/d	100,000	By vehicle expenses	75,000
To receipt from Saptaha	100,000	By assistant remuneration	24,000
To receipt from other religious work	70,000	By domestic expenses	100,000
To letting of house property	80,000	By purchase stationary or his professional purpose	10,000
To interest on money lending	50,000	By purchase of professional books and periodicals	20,000
To agriculture income	20,000	By subscription to priest union	1,000
To interest on taxable government securities (gross)	10,000	By donation to Mahendra Sanskrit university	50,000
		By donation of Pashupati Development Trust	50,000
		By repair of let out property	10,000
		By collection expenses relating to taxable govt. securities	1,000
		By Balance c/d	89,000
	430,000		430,000

On query by the Income Tax Officer, Panditji disclosed the following information:

- (i) He earned four tolas of gold and thirty pathis of rice, which were not included in above receipts. The current market price of gold and rice were Rs. 7,500 per tola and Rs.40 per pathi respectively.
- (ii) 10% of the vehicle expenses was for his personal use.
- (iii) Receipts from Sapataha includes Rs. 10,000 earned by his wife.
- (iv) Rs. 12,000 was paid for life insurance premium of his own life on a policy of Rs. 180,000.

Required: ① Net income from profession ② Net income from other sources and house and land rent ③ Statement of total income ④ Tax liability [8+3+2+2]

54. 2059 (F) Q. No. 8

The following are the receipts and payments of Mr. A, a doctor for the previous year:

Receipts and Payments Account

Receipts	Rs.	Payments	Rs.
To consultancy fees	200,000	By salaries to assistances	100,000
To visiting fees	100,000	By rent of clinic	50,000
To sale of medicine	100,000	By purchased of professional books	10,000
To rent of house property	50,000	By subscription to medical association	1,000
To sale of computer	30,000	By purchase of furniture	9,000
To dividends	20,000	By donation	20,000
		By balance	310,000
	500,000		500,000

Required: ① Net income from profession ② Statement of total net income

[5+2]

55. 2059 (F) Q. No. 14

The following is the profit and loss account of a housing company for the previous year:

Dr. Profit & Loss Account Cr.

	Rs.		Rs.
To general expenses of house	10,000	By rent received	150,000
To repairs of house	15,000	By dividend from ABC Co. Ltd	5,000
To depreciation	5,000	By interest on fixed deposit from RBB	5,000
To municipality tax	2,000	By interest on investment	12,000
To district development charge	1,500	By additional fees	5,000
To advertisement	1,200		
To interest on loan	45,000		

To income tax	2,500		
To donation	500		
To net profit c/d	94,300		
	177,000		177,000

Additional Information:

- General expenses include Rs. 300 incurred for the collection of interest on investment.
- Allowable depreciation of Rs. 4,000
- Interest on loan includes Rs. 5,000 paid to moneylender for the loan taken to purchase building and remaining interest paid for the loan taken to construct the building. The loan was not duly registration in revenue office.
- Defaulted rent collection in previous year but not credited to profit and loss account of Rs. 10,000 (vacancy allowance was allowed in the related income year).

Required: ① Statement of total net income ② tax payable

[5+2]

56. 2059 (F) Q. No. 16

Given below is the profit and loss account of a cloth merchant for the previous year:

Dr.	P/L Account		Cr.
	Rs.		
To salaries and wages	380,000	By gross profit	120,000
To general expenses	150,000	By rent from houses let out	50,000
To telephone bill	10,000	By bad debts recovered	20,000
To depreciation of equipments	5,000	By receipts from policy expired	200,000
To bad debts written off	10,000	By miscellaneous receipts	30,000
To value added tax	15,000		
To advertisement expenses	25,000		
To provisions for income tax	25,000		
To interest on loan	30,000		
To bonus	100,000		
To repair	200,000		
To miscellaneous expenses	50,000		
To net profit	500,000		
	1,500,000		1,500,000

Additional information:

- Salaries and wages include Rs. 120,000 paid to his son who manages the firm independently but is the member of family.
- General expenses include:
 - ① Rs. 60,000 as donation to Lumbini Development Trust.
 - ② Rs. 40,000 as donation to Red Cross
- 50% of telephone bill was for his personal purpose.
- Interest on loan was paid to a private moneylender. Loan was not registered.
- 75% of the repair expenses was related to house property let out.
- Miscellaneous expenses include Rs. 20,000 incurred of income tax appeal.
- Bad debts recovered was allowed previously.
- Miscellaneous receipts include Rs. 20,000 for receipt of equipments let out.

Required: ① Taxable income from business ② Statement of total income ③ Total tax payable

[10+3+2]

57. 2059 (F) Q. No. 16 OR

Mr. Pant is a Chartered Accountant and runs his own firm. He is also a part time lecturer in a private campus. His receipts and payments for the previous year are given below:

Receipts	Rs.	Payments	Rs.
To balance b/d	50,000	By salary to assistants	160,000
To consultation fees	200,000	By purchased of books and periodicals	30,000
To audit fees	100,000	By rent for office	12,000
To salary from campus	120,000	By repair of car	5,000

To sale from newspaper	10,000	By purchase of computer	50,000
To sale of old car	100,000	By vehicle expenses	30,000
To examinership remuneration from TU	10,000	By purchase of Bingo ticket	1,000
To winning from Bingo	50,000	By rent collection expenses	2,000
To rent from house let out	200,000	By miscellaneous expenses	100,000
		By balance c/d	450,000
	840,000		840,000

Additional information:

- Salary includes Rs. 30,000 paid to his son who is also a member of the family.
- Purchase of books Rs. 5,000 in related to his salary income.
- Vehicle expenses: 50% for his professional job and rest 50% for his personal as well as part time job equally.
- Miscellaneous expenses include:
 - a. Rs. 5,000 paid for his own life insurance premium on a policy of Rs. 100,000
 - b. Rs. 25,000 as donation for the renovation of an old public pond.
 - c. Rs. 10,000 paid as salary of his domestic servant.
 - d. Rs. 200 taxi expenses incurred for collecting examinership remuneration and Rs. 300 as collecting rent from let out house.
 - e. Rs. 5,000 for income tax.

Required: ① Net income from profession ② net income from house property and other sources ③ Statement of total income ④ Tax liability [8+3+3+1]

58. 2058 (C) Q. No. 7

Mr. Sharma is a practicing Chartered Accountant. He keeps his books on cash basis. His summarized Cash Account for the previous year is as under:

Receipts and Payments Accounts

	Rs.		Rs.
To balance b/d	5,000	By office expenses	12,000
To audit fees	125,000	By personal expenses	15,000
To remuneration received from a training programme	3,000	By renewal of membership	1,000
To consultation fee	10,000	By renewal of license	500
		By purchase of vehicle	60,000
		By premium on a policy of Rs. 100,000	4,000
		By balance c/d	50,500
	143,000		143,000

He provided the following additional information:

- Personal expenses include Rs. 8,000 donated to the Red Cross Society.
- Vehicle was purchased 6 month ago. $\frac{1}{4}$ th time of the vehicle was used for personal purpose. Monthly expenses of car was Rs. 800. Deprecation allowed was 15% p.a.

Required: Taxable income of Mr. Sharma.

59. 2058 (C) Q. No. 15

[7]

The following is the profit and loss account of a trader for the previous year.

Dr.

Profit and Loss Account

Cr.

	Rs.		Rs.
To salaries	40,000	By gross profit b/d	276,000
To stationery	2,000	By refund of custom	3,000
To telephone	4,000	By bad debts recovered	6,000
To loss on stock in trade	2,000	By rent by letting equipments	7,000
To legal charges	3,000	By profit on sale of land	10,000
To audit fees	6,000	By interest on fixed deposit	500

To donation to school to provide scholarship to poor students	30,000		
To insurance premium	16,000		
To interest on loan	26,000		
To miscellaneous expenses	53,500		
To Net profit	120,000		
	302,500		302,500

Adjustments:

- Salaries include Rs. 5,000 paid to directors ad remuneration.
- 30% telephone bill was for personal use.
- Legal charges include Rs. 500 for income tax appeal.
- 30% of insurance premium was for fire insurance, 20% for workers accident insurance and the balance for the life of the owner on a policy of Rs. 200,000.
- Interest on loan includes Rs. 23,000 paid to a moneylender. The loan was taken without registration. Remaining Rs. 3,000 was paid to Nepal Bank Ltd.
- Miscellaneous expenses include Rs. 30,000 for the purchases of a computer for office use.
- 50% of bad debts recovered were not allowed previously.

Required: ① net income from business ② net income from other sources ③ Statement of net total income [10+3+2]

60. 2058 (C) Q. No. 15 OR

Mr. R.R. Raman is a renowned advocate. His income and expenditure for the previous year is given below:

	Rs.		Rs.
To salary	30,000	By consultation fees	170,000
To rent of office	8,000	By legal fees	30,000
To stationery	8,000	By sale of old newspaper	2,000
To repair of equipments	6,000	By gifts and presents from clients	35,000
To household expenses	25,000	By interest on fixed deposit	400
To Municipal tax for property let out	2,000	By rent from house let out	20,000
To fire insurance of property	3,000	By rent from other capital assets	5,000
To bad debts	12,000		
To income tax appeal	4,000		
To depreciation of office further and equipments	2,000		
To general expenses	13,000		
To life insurance premium paid	8,000		
To donation	6,000		
To excess of income over expenditure	123,400		
	262,400		262,400

Adjustments:

- General expenses include Rs. 4,000 paid as interest on loan. 25% of loan however was paid to purchase a motorbike.
- Depreciation allowable Rs. 2,500
- 60% of donation was given for construction of a club building and remaining 40% to PM Earthquake Relief Fund.
- General expenses also include travelling expenses of Rs. 2,000 incurred to visit Biratnagar for attending a marriage ceremony.

Required: ① Net Income from profession ② Net income from other sources ③ Net income from house and land rent ④ Statement of total income [9+2+2+2]

61. 2058 (F) Q. No. 7

Mr. Shrestha is a practicing advocate. He does not maintain any books of account, however, he used to issue receipts for all cash receipts and obtain a bill for all payments. Upon enquiry by the tax authorities he submitted the file of the above bills and receipts. The authorities summarise the following particulars of receipts and payments of Mr. Shrestha for the previous year.

Receipts	Rs.
Consultancy fees	75,000
Legal fees	180,000
Examination fees	10,000
Sale of 800 books	40,000
Royalty from books	20,000

Payments	Rs.
Rent of office Rs. 700 per month (paid in advance for whole year)	
Stationery	2,000
Salary of staff	1,500 p.m.
Wages of a servant	1,000 p.m.
The servant serves partly in his domestic work.	
Drew for domestic purpose	25,000
Income tax paid	2,000
Donation to a club	4,000
Taxi	1,500
Presents in a marriage ceremony	200
Premium paid for the life of his son Rs. 2,000 on a policy of Rs. 25,000	
Printing cost of 1000 books	30,000

Required: Net total income from profession.

62. 2058 (F) Q. No. 15

Given below is the Trading and P/L Account of a partnership firm for the previous year ending ...

Dr.		Trading and P/L Account		Cr.	
	Rs.				Rs.
To opening stock	500,000	By sales			3,800,000
To purchase	2,000,000	By closing stock			200,000
To carriage	30,000				
To wages	70,000				
To custom duty	40,000				
To gross profit	1,360,000				
	4,000,000				4,000,000
To rent	180,000	By gross profit			1,360,000
To salary	175,000	By discount			40,000
To general expenses	165,000	By dividends			20,000
To legal expenses	15,000	By house rent			80,000
To sales tax	25,000	By refund of custom duty			30,000
To interest on debentures	5,000	By sale of furniture			30,000
To provision for bad debts	15,000				
To fines and penalties	4,000				
To insurance	6,000				
To repair	35,000				
To contribution to provident fund	15,000				
To net profit	920,000				
	1,560,000				1,560,000

Additional information:

- Refund of custom duty Rs. 10,000
- General expenses include Rs. 15,000 for the construction of a temple for the benefit of the workers.
- Depreciation allowable as per rules in Rs. 65,000.

- (iv) Stock was valued for Rs. 550,000 in the last stock taking, however, it has been reduced to Rs. 500,000 in the year's opening stock.
- (v) Rs. 10,000 was foregone by creditor to whom the sum was due by way of commission and which was charged to revenue account of the company in the proceeding year.

Required: ① Statement of net income from business ② Statement of net total income ③ Tax liabilities [10+3+2]

63. 2058 (F) Q. No. 15 OR

The following is the profit and loss account of Mr. P.K. Agrawal for the previous income year.

Dr.		Profit and Loss Account		Cr.
	Rs.			Rs.
To salary and wages	185,000	By gross profit		1,000,000
To rent	155,000	By interest on investment		150,000
To income tax in advance	10,000	By sundry receipts		150,000
To repair	35,000	By rent from property		60,000
To household expenses	7,000	By compensation from insurance co. on loss of a plant		40,000
To general expenses	23,000			
To depreciation	15,000			
To interest on capital	6,000			
To travelling expenses	4,000			
To entertainment expenses	11,000			
To audit fee	5,000			
To net profit	934,000			
	1,400,000			1,400,000

On scrutiny the following position is revealed:

- The amount of bad debt is Rs. 25,000
- Repair includes repair of rented property Rs. 10,000
- Interest on capital includes Rs. 1,000 gift to daughter.
- Advance income tax includes Rs. 2,000 paid tax penalty
- Carry forward of business loss from two years prior to current assessment is Rs. 160,000.

Required: ① Statement of net business income ② Statement of net total income ③ tax liabilities [10+3+2]

64. 2057 (C) Q. No. 16

Given below is the Trading and Profit & Loss Account of a company for the previous year.

Dr.		Trading and Profit & Loss Account for the year ending		Cr.
Particulars	Rs.	Particulars		Rs.
To opening stock	25,000	By gross sales		300,000
To purchase	250,000	By closing stock		40,000
To wages	40,000	By refund of income tax		10,000
To repair	10,000	By income from house and land rent		150,000
To salary of sales	160,000	By rent from let out of equipments		80,000
To sundry expenses	30,000	By bad debts recovered		10,000
To advertisement	20,000	By miscellaneous income		15,000
To provision for income tax	10,000	By net loss		95,000
To value add tax	15,000			
To travelling expenses	60,000			
To purchase of furniture	30,000			
To donation to a campus	50,000			
	700,000			700,000

Additional information:

- (i) Purchase includes Rs. 60,000 purchased of computer.
- (ii) 50% of repair expenses is related to income from house and land rent
- (iii) wages include Rs. 20,000 paid for construction of a permanent well to workers.
- (iv) Sundry expenses include Rs. 10,000 for depreciation and Rs. 2,000 for entertainment expenses, and rest is for audit fees.
- (v) 75% of advertisement is for installing a neon signboard on the main gate of the factory.
- (vi) Travelling expenses include Rs. 10,000 relating to purchase of raw-materials Rs. 10,000 paid for personal visit of Assistant General Manager to Jhapa.
- (vii) 25% bad debts recovered was allowed previously.
- (viii) Miscellaneous income includes Rs. 5,000 as gain on sale of shares of other company.
- (ix) Actual bad debts Rs. 2,000 and depreciation Rs. 7,000 were allowed for deduction.

Required: (a) Statement of net income from:

- ① Business ② House and land rent ③ other sources

(b) Statement of net total income

[8+2+2]

[3]

65. 2057 (C) Q. No. 16OR

Given below is the Income and Expenditure Account of Mr. Pandey an Economic analyst for the previous year ending 31st Ashadh.

Income and Expenditure Account

Expenditures	Rs.	Incomes	Rs.
To salary to office staffs	75,000	By consultation fees	300,000
To travelling expenses	15,000	By advisory fees	200,000
To income tax paid	10,000	By lottery gain	20,000
To stationery and printing	140,000	By interest on fixed deposit	30,000
To rent of office	30,000		
To personal expenses	100,000		
To office flooring expenses	50,000		
To life insurance premium	25,000		
To interest on loan	100,000		
To excess of income over expenditure	5,000		
	550,000		550,000

On query the following information were disclosed.

- i. Travelling was done for the flood relief operation in a remote village.
- ii. Personal expense includes Rs. 60,000 paid as donation to PM Relief Fund.
- iii. Life Insurance Premium paid on a policy of Rs. 200,000 of his own and Rs. 100,000 of his minor son.
- iv. Mr. Pandey furnished the following details about the loan.
 - 50% of the loan was obtained from Nepal bank Ltd. and without registration 50% was taken from private moneylenders.
 - Out of the total loan obtained from moneylenders, 50% loan was used for his personal purpose.
 - The rate of interest applicable to all these loans are equal.
- v. 10% depreciation of furniture was not charged to Profit and Loss Account

Required: ① Net Income from profession ② Statement of net Total income

[10 +5]

66. 2057 (F) Q. No. 7

Mr. Pradhan is practicing lawyer at Kathmandu. He keeps his books on cash bases. The following is his submitted cash transaction for the previous year:

Receipts and Payments Account

Receipts	Rs.	Payments	Rs.
To balance	20,000	By subscription to law journals	10,000
To legal fees	120,000	By purchase of law books	50,000

To special commission	20,000	By car expenses	10,000
To salary as part time lecturer in Law Campus	24,000	By office expenses	50,000
To examinership remuneration from TU	10,000	By income tax	10,000
To dividend from Nepal bank	4,000	By gifts on marriages	10,000
To directors fees	5,000	By household expenses	40,000
		By donation	2,000
		By balance	21,000
	203,000		203,000

The following further information are given:

- Car was partly used for his personal purpose and partly for his profession.
- Depreciation on car allowed is Rs. 1,000.
- Office expenses include Rs. 10,000 paid for electrical charge. One half of electrical expenses is related to his personal use.
- He claimed Rs. 400 as expenses in relation to examination work.

Required: ① Income from profession ② Statement of total income.

[4+3]

67. 2057 (F) Q. No. 16

M/s Sunrise Garment (Pvt.) Ltd. furnished the following audited Trading and Profit and Loss A/c for the previous year ending 31st Ashadh

Dr.		Trading and P/L Account		Cr.	
Particulars	Rs.	Particulars	Rs.		
To stock	50,000	By sales	284,000		
To purchase	180,000	By stock	66,000		
To wages and salaries	80,000	By gross loss c/d	10,000		
To rent, rates and taxes	30,000				
To depreciation of machine	20,000				
	360,000				360,000
To gross loss b/d	10,000	By rent from staff quarter	36,000		
To office salaries	54,000	By refund of income tax penalties	3,000		
To establishment expenses	18,000	By sale of old machines (cost price is Rs. 50,000 and book value is Rs. 20,000)	30,000		
To printing and stationery	3,000				
To normal wastages	1,000				
To fire insurance	1,000				
To bad debts	4,000	By interest on Govt Development Tax Free Bond	25,000		
To reserve for bad debts	10,000				
To income tax provision	30,000				
To legal expenses	10,000				
To advertisement	8,000	By miscellaneous receipts	20,000		
To contribution to recognized provident fund	10,000				
To interest on loan	30,000	By net loss	75,000		
	189,000				189,000

On query by ITO, the firm furnished the following facts:

- The closing stock was overvalued by 10% on actual cost.
- Taxes under the head rent, rates and taxes meant Rs. 10,000 is for the property tax.
- Depreciation allowed for the period is Rs. 15,000
- Establishment expenses include cost of shifting showroom to a prospective area.
- Legal expenses include Rs. 5,000 incurred for defending the title of some assets, and Rs. 5,000 for income tax appeal.
- Interest on loan was paid for an unregistration loan.
- Miscellaneous receipts include Rs. 10,000 for refund of custom duty and balance from letting out of machines.

(viii) A donation of Rs. 2,000 paid to a public school has not been charged in the profit and loss account.

Required: ① Net income from business ② Statement of total income [(10+2) + 3]

68. 2057 (F) Q. No. 16 OR

Given below is the income and Expenditure of Mr. Upadhyaya, a Professional Advisor for the previous fiscal year ended 31st Ashadh

Dr. Income and Expenditure Account			
Expenditure	Rs.	Income	Rs.
To Household expenses	20,000	By Professional receipts	100,000
To office expenses	60,000	By income from project analysis	90,000
To donation	10,000	By receipt from conducting training programme	60,000
To loss on sale of old car	20,000	By dividend from India	10,000
To firm renewal fees	1,000	By gain on sale of land	30,000
To insurance premium	10,000	By interest on advance	20,000
To staff salaries	60,000	By presents from clients	10,000
To income tax paid	5,000	By directors fees	5,000
To vehicle expenses	8,000	By interest on fixed deposit	15,000
To depreciation of vehicle	2,000		
To purchased of books	1,000		
To excess of income over expenditure	143,000		
	340,000		340,000

Information for consideration are:

- 75% time of vehicle was used for professional purpose.
- Premium was paid on his own policy of Rs. 150,000
- Salary Rs. 15,000 was paid for his brother included in staff salaries.
- Books purchased were for his profession.
- Office expenses include Rs. 30,000 paid for the office rent for two rooms occupied in the house belongs to his wife.

Required: ① Net income from profession ② Statement of total income [(10+2)+3]

69. 2056 (C) Q. No. 7

The following are the receipts and payments of Mr. Shrawan, a retired management expert, for the previous year.

Receipts	Rs.	Payments	Rs.
To Consultancy Fees	60,000	By Transportation expenses	3,000
To Remuneration for delivering lectures	30,000	By Donation	15,000
To Let-out of house property	10,000	By Purchase of professional books	2,000
To Interest on bank deposit	300	By Purchase of car	60,000
To Sale of old motor cycle	15,000	By Balance	35,000

Required: Net income from profession.

70. 2056 (C) Q. No. 16

The following is the Trading, Profit and Loss Account of a Manufacturing Company for the previous year.

	Rs.		Rs.
To opening stock	350,000	By sales	1,200,000
To wages	50,000	By closing stock	500,000
To purchases	600,000		
To gross profit c/d	700,000		
	1,700,000		1,700,000
To salaries	200,000	By gross profit	700,000
To miscellaneous expenses	50,000	By bad debts recovered	30,000
To donation	20,000	By commission	2,000

To interest on loan	60,000	By sales of share of other company	20,000
To papers and periodicals	2,000		
To legal expenses	1,000	By sale of news papers	1,000
To bonus	40,000		
To net profit	380,000		
	753,000		753,000

Upon inquiry the following information are observed:

- Opening stock was over valued by Rs. 50,000
- Purchases include Rs. 120,000 for purchase of a computer for office use.
- Wages include Rs. 2,000 for transportation and installation cost of the computer.
- Salary includes Rs. 72,000 paid to an administrative officer without deducting tax at source.
- Miscellaneous expenses include: Medical treatment of an employee Rs. 10,000
- Bad debts recovered were not allowed previously.
- 50% of interest was paid to an indigenous banker loan was taken for business purpose but without registration in revenue office. The rest was paid to a finance company. This loan also was not registered.
- Depreciation allowed by tax office was Rs. 4,000

Required: (a) Income from business (b) Statement of total income (c) Tax liability of the company [10+2+3]

71. 2056 (C) Q. No. 16 OR

Receipts	Rs.	Payments	Rs.
To remuneration from lectures	20,000	By purchase of rice etc.	30,000
To consultancy fees	100,000	By salary of household servant	12,000
To advisory fees	50,000	By purchase of books for professional use	15,000
To sale proceed of old books	40,000	By purchase of computer for official use	60,000
To gifts from clients	5,000	By stationery	3,000
To salary from part-time lectures	10,000	By income tax paid	10,000
		By gift to daughter	2,000
		By taxi expenses	3,000
		By balance	90,000
	225,000		225,000

The above particulars are the statement of receipts and payments of a senior economist for the previous year.

Required: (a) Income from profession (b) Income from other sources (c) Statement of Total income (d) Tax liability [7+4+2+2]

72. 2057 (C) Q. No. 7

Mr. Nepal is a practising Chartered Accountant. He keeps his books of accounts on a cash basis. The following is the summarised cash transaction for the previous year.

Receipts	Rs.	Payments	Rs.
To balance b/d	8,000	By office expenses	20,000
To audit fees	90,000	By household expenses	25,000
To remuneration for lectures in private campus	60,000	By membership fees	1,000
To Miscellaneous incomes	30,000	By audit license renewals	1,000
		By purchases of computer	40,000
		By loan to son	1,000
		By Life insurance premium	4,000
		By donation to a college	10,000
		By closing balance	86,000
	188,000		188,000

On query the following information were disclosed:

- Office expenses include Rs. 3,000 paid for making the visiting cards.

- ii. Household expenses include Rs. 5,00 paid to the domestic servant. He devotes $\frac{1}{5}$ th of his time for the office.
- iii. Miscellaneous incomes include Rs. 10,000 refund of advance income tax.
- iv. Life insurance was paid on his own life on a policy of Rs. 55,000.

Required: Total taxable income for the relevant assessment year.

[5]

73. 2056 (F) Q. No. 7

Mr. Karki is a medical practitioner. He keeps his books of account on cash basis. The following is the summarized cash transaction for the previous year.

Receipts and Payments Accounts

Receipts	Rs.	Payments	Rs.
To opening balance b/d	4,000	By salaries to staffs	60,000
To consultation fees	200,000	By office expenses	10,000
To gifts for patients	2,000	By miscellaneous expenses	20,000
To dividend from a company	3,000	By purchase of medical journals and periodicals	3,000
To sale of medicine	80,000	By purchase of car	75,000
To visiting fees	11,000	By surgical equipments	10,000
To gain on sale of share	10,000	By donations	3,000
		By car expenses	4,000
		By balance	125,000
	310,000		310,000

- Miscellaneous expenses include Rs. 1,000 incurred for medical expense of his son.
- Salaries include Rs. 2,000 paid for his domestic servant.

Required: Total taxable income for the relevant assessment year.

[7]

74. 2056 (F) Q. No. 16

Given below is the Trading, Profit and Loss Account of a company for the previous year:

Dr. Trading and Profit & Loss Account Cr.

Particulars	Rs.	Particulars	Rs.
To opening stock	300,000	By sales	4,000,000
To purchase	2,300,000	By closing stock	500,000
To carriage	200,000		
To wages	800,000		
To gross profit	900,000		
	4,500,000		4,500,000
To general expenses	160,000	By gross profit	900,000
To salaries	180,000	By refund of custom duty	10,000
To rent	180,000	By rent of staff quarters	50,000
To depreciation	20,000	By miscellaneous income received	50,000
To staff welfare expenses	10,000	By rent received from property	90,000
To interest on loan	40,000	By sale of old machinery	60,000
To bad debts	15,000	By amount received after closing of old business	40,000
To general reserve	15,000		
To audit fees	10,000		
To commission on loan	14,000		
To loss on sale of furniture	5,000		
To donation to a campus	6,000		
To advertising	10,000		
To entertainment expenses	15,000		
To net profit	520,000		
	1,200,000		1,200,000

Additional information:

- Refund of custom duty includes Rs. 2,000 refund of VAT

- Depreciation allowable is Rs. 25,000
- Salaries include pension of Rs. 15,000 paid to ex-manger.
- General expenses include Rs. 5,000 collection charge of machinery sold and Rs. 3,000 collection charge of the amount received after closing of old business.

Required: ① Statement of net income from business ② Statement of net total income
③ Tax liability [10+3+2]

75. 2056 (F) Q. No. 16 OR

Given is the income and expenditure account of Mr. Kusum Basnet, an advocate for the pervious year ending on 31st Ashadh.

Dr.		Income and Expenditure Accounts		Cr.
Expenditure	Rs.	Incomes		Rs.
To salary to office assistant	50,000	By legal fees		300,000
To travelling expenses	10,000	By consultation fees		300,000
To general charges	25,000	By house rent		50,000
To income tax	10,000	By lottery income		40,000
To stationery and printing	15,000	By interest on fixed deposit		10,000
To rent of office	40,000			
To household expenses	20,000			
To purchase of furniture	14,000			
To fire insurance premium	5,000			
To entertainment expenses	6,000			
To excess of income over expenditure	505,000			
	700,000			700,000

Additional information:

- Allowable depreciation Rs. 7,000
 - General charges include Rs. 6,000 donation to a hospital and Rs. 1,000 interest on the loan taken to give donation.
 - Mr. Basnet obtained a loan of Rs. 300,000 for his profession on 1st Shrawan @ 10% from a landlord without registration. He has paid interest at the given rate but was not charged to P/L account.
 - General charges include Rs. 5,000 life insurance premium of Mr. Basnet and Rs. 1,000 house rent collection charge.
 - During the year he has received dividends of Rs. 10,000
- Required:** ① Net income from profession ② Statement of net total income ③ Tax ability [10 + 3+2]

10. CAPITAL GAINS TAX

1. 2069 Q.No. 15

A Private Company provided the following details about its fixed assets under group "C".

a. Depreciation base of the assets as on opening date	Rs. 3,000,000
b. New addition of such assets on 1 st Baisakh	Rs. 150,000
c. Further addition of new items on 15 th Jestha	Rs. 300,000
d. Disposed off one of the assets on 15 th Magh having book value of Rs. 200,000 for	Rs. 300,000

Required:

- ① Amount of depreciation to be charged for the current year.
- ② Written down value of the assets for the next year.

[3+2=5]

2. 2068 Q.No. 14

A company provided the following details of fixed assets under pool "D".

- a. Beginning value of depreciation base of fixed assets on previous year was Rs. 1,000,000.
- b. New fixed assets was purchased on 1st Marg of previous year was Rs. 300,000.

One of the fixed assets included in (a) having book value of Rs. 200,000 was disposed off at Rs. 250,000 during the year.

Required: (a) Amount of depreciation to be charged on current year

(b) Depreciation base of asset for next year:

[3+2]

3. 2067 Q.No. 14

XYZ Co. Ltd., provided the following details of its assets under computer group for the previous year:

Opening depreciation base amount - Rs. 150,000.

Addition of new assets:

1st Magh Rs.90,000

15th Chaitra Rs.60,000

Disposal of one computer having book value Rs.20,000 for Rs.30,000. Actual repair made by the company on this block is Rs.24,900.

Required:

(a) Amount of depreciation to be charged

(b) Opening balance of the assets for the next year

[3+2]

4. 2066 Q.No. 13

ABC Company Limited provided the following details of its fixed assets under different blocks.:

Particulars	Block 'B' (Rs.)	Block 'D' (Rs.)
• Book value of assets at the beginning of previous year	1,500,000	1,200,000
• Purchased during the previous year:		
In Bhadra	500,000	-
In Chaitra	-	900,000
• Book value of disposed assets	150,000	200,000
• Disposed value of assets during the previous year	200,000	100,000

Required: (a) Amount of depreciation to be charged in previous year (b) Depreciation base of assets for the next year.

[3+2]

5. 2065 Q.No. 14

Patan Company Ltd. provided the following details of its fixed assets under different blocks:

Particulars	Block C (Rs.)	Block D (Rs.)
Book value of assets at the beginning of previous year	2,000,000	1,500,000
Purchased during the previous year:		
On 30th Ashwin	800,000	-
On 1st Falgun	-	600,000
Disposal value of assets during the year	400,000	200,000

Required: (a) Amount of depreciation to be charged in current year

(b) Depreciation base of assets for next year

[3+2]

6. 2064 Q.No. 15

A company provided the following details about its fixed assets under Group 'B':

a. Depreciation basis of the assets as on opening date Rs. 500,000.

b. New additions:

On 1st Bhadra Rs. 400,000

On 15th Marga Rs. 100,000

On 25th Jestha Rs. 300,000

c. Disposed off: Assets having book value of Rs. 150,000 was sold at Rs. 200,000 on 15th Chaitra.

Required: (a) Amount of depreciation to be charged in the current year.

(b) Opening written down value of such assets for the next year.

[3]

[2]

7. 2064 (Old) Q.No. 14

A Company provided the following details of fixed assets under pool 'C' for previous year.

a. Depreciation base of assets at beginning 1,000,000.

- b. New assets purchased on Falgun Rs. 600,000.
 c. New assets purchased on Jestha Rs. 600,000.
 d. One asset having book value of Rs. 300,000 disposed off Rs. 200,000 cash.

Required: (a) Amount of depreciation to be charged for the current year.
 (b) Depreciation base of asset for next year.

[3+2]

8. 2063 Q. No. 14

ABC Co. Ltd. provided the following details of its fixed assets under different blocks.

	Block A (Rs.)	Block C (Rs.)
Depreciated value of assets at the beginning of previous year	2,500,000	1,500,000
New addition of assets: On 1 st Magh	1,000,00	-
On 1 st Chaitra	-	900,000
Deposited off value of assets during the period	500,000	300,000

Required: (a) Amount of depreciation to be charged in current year
 (b) Depreciation base of assets for next year.

3+2

9. 2062 (C) Q.No. 15

A Limited company provided the following details about its fixed assets under group B.

- a. Depreciation base of assets as on 1st Shrawan 2059 Rs. 1,500,000
 b. New addition of such assets on 1st Bhadra 2059 Rs. 400,000
 c. Further addition of new item on 20th Jestha 2060 Rs. 300,000
 d. Disposed off one of the assets having book value of Rs. 400,000 on 1st Shrawan 2059 during the year for Rs. 500,000

Required: (a) Amount of depreciation to be charged for the current year
 (b) Written down value (WDV) for next year.

10. 2062 (F) Q.No. 13

A Ltd. Company provided the following details of its fixed assets under different pools (blocks).

	Pool B (Rs.)	Pool D (Rs.)
Depreciation base of asset at the beginning of the previous year	150,000	1,200,000
New addition of assets		
On 1 st Ashwin	50,000	
On 1 st Falgun		600,000
Assets disposed off during the period		
Book value at beginning	10,000	300,000
Disposed off value	20,000	200,000

Required: ① Amount of depreciation to be charged in current year

② Depreciation base of assets for next year.

[3+2]

11. 2061 (C) Q. No. 15

Following is the details about the fixed assets of a company under Group C.

- Depreciation base of assets on 1st Shrawan, 2060 Rs. 3,000,000
 New addition of asset of same group:
 Marga, 2060 Rs. 1,000,000
 Chaitra, 2060 Rs. 1,500,000

Company disposed off one of the asset having book value of Rs. 1,000,000 on opening date at par on Magh, 2060. Company incurred repair expenses of Rs. 120,000 during the year.

Required: (a) Amount of depreciation to be charged for the current year.
 (b) Depreciation base of asset at the year end. (Year amended)

[3+2]

12. 2061 (F) Q. No. 15

A company provided the following details of fixed assets under pool "D".

- (a) Beginning value of depreciation base of fixed assets on previous year was Rs. 800,000
 (b) New fixed asset purchased on 1st Marg of previous year was Rs. 200,000
 (c) Next new fixed asset of that pool was added on 1st Chaitra of previous year was Rs. 300,000

- (d) One of the fixed assets included in (a) having book value of Rs. 100,000 was disposed off at Rs. 150,000 during the year.

Required:

- a. Amount of depreciation to be charged on current year.
b. Depreciation base of asset for next year.

[3+2]

11. INCOME FROM INVESTMENT**1. 2069 Q.No. 12**

Mrs. Babita furnished the following particulars of her incomes and expenditures for the previous year.

a. Interest from investment	Rs. 200,000
b. Interest from Bank Saving A/c	Rs. 94,000
c. Royalty (after TDS)	Rs. 170,000
d. Bad debt recovered	Rs. 25,000
e. Rent from house	Rs. 85,000
f. Senior citizen allowance from the government	Rs. 3,600

Expenditure claimed:

i. Depreciation on rented house	Rs. 40,000
ii. Life insurance premium (on the policy of Rs. 200,000)	Rs. 11,000
iii. Collection charge for recovering bad debts.	Rs. 6,000

Required:

- ① Net (Assessable) Income from Investment.
② Tax liability

[4+2=6]

2. 2068 Q.No. 8

Mr. Ramesh furnished the following particulars of his incomes for the previous year.

Net (assessable) Income from employment	Rs. 300,000
Net (assessable) Income from investment	Rs. 150,000
Net (assessable) Income from business	Rs. 100,000

He has claimed the following expenses for deduction.

Contribution to provident fund as per government rule.
Donation to political party Rs. 50,000

Required: Tax liability of Mr. Ramesh

[5]

3. 2068 Q.No. 11

Mrs. Gauri furnished the following particulars of her income and expenditure for the previous year.

Dividend received from resident company	Rs. 30,000
Interest on private money lending transaction	Rs. 50,000
Rent from house let out	Rs. 100,000
Royalty from natural resources	Rs. 100,000
Interest on fixed deposit	Rs. 20,000
Amount received on maturity of life insurance policy	Rs. 220,000

He has claimed the following expenses for deduction.

Rent collection charges	Rs. 1,000
Interest collection charges of private money lending transaction	Rs. 1,500
Expenses relating to dividend income	Rs. 1,600
Expenses of natural resources	Rs. 1,800

Required: (a) Net assessable income from investment (b) Tax liability

[4+2]

4. 2067 Q.No. 8

Mr. S. Pant furnished the following particulars of his income for the previous year:

Net assessable income from Employment - Rs. 120,000

Net assessable income from Investment - Rs.45,000

Net assessable income from Business - Rs.355,000

He claimed the following deduction:

- Contribution to unrecognised retirement fund - Rs. 100,000.
- Medical expenses - Rs.2,000
- Donation to a temple - Rs. 18,000.

Required: Tax Liability of Mr. S. Pant

[5]

5. 2067 Q.No. 11

Mr. Bishnu Bhandari submitted the following income and expenditure for the previous year.

- Dividend income - Rs.61,750.
- Royalty from publication of books - Rs.76,500 (after TDS)
- Interest from private money lending - Rs.67,000 (gross)
- Remuneration from part time lecture - Rs.23,800 (after TDS)
- Rent from letting out machinery - Rs.30,600 (after TDS)

Expenditure:

- Depreciation and repair on rented machinery - Rs. 10,000 and 600 respectively.
- Dividend collection charge - Rs.200
- Interest collection charge - Rs.2,000

Required: Net assessable income from Investment

[6]

6. 2066 Q.No. 8

Mr. Ranjan furnished the following particulars of his incomes for the previous year.

- | | |
|---|-------------|
| • Net (Assessable) Income from Employment | Rs. 175,000 |
| • Net (Assessable) Income from Business | Rs. 250,000 |
| • Net (Assessable) Income from Investment | Rs. 100,000 |

He disclosed the following additional information:

- Donation given to a registered political party Rs. 10,000.
- Life insurance premium on his own life policy was paid by him of Rs. 6,000 (for the policy amount of Rs. 150,000)
- Tuition fees of his sister was paid by him of Rs. 15,000.
- His working place lies at Zone 'B'.

Required: (a) Statement of Total Taxable Income (b) Tax Liability

[3+2]

7. 2066 Q.No. 12

Mr. Arpan furnished the following incomes and expenditure for the previous year.

[5]

- | | |
|--|------------------------------------|
| • Dividend received from resident company | Rs. 9,500 (net) |
| • Royalty from natural resources | Rs. 170,000 (net) |
| • Dividend from Pakistan | Rs. 13,500 (after TDS of Rs. 1500) |
| • Interest from private money lending activities | Rs. 150,000 |
| • Interest from fixed deposit | Rs. 5,700 |
| • Interest from saving deposit | Rs. 2,850 |
| • Rent from machinery let-out to private parties | Rs. 60,000 |
| • Rent from house let out | Rs. 42,500 (net) |

• Mr. Arpan received a refrigerator as a gift relating to investment. The prevailing market value of the refrigerator is Rs. 12,000.

- Bad debts recovered (50% was not allowed as deduction previously) Rs. 15,000
- Income received from joint investment (total) Rs. 30,000 (income sharing ratio is equal)

He had claimed the following expenses for deductions:

- Dividend collection charges Rs. 200 (Pakistan)
- Natural resources collection charges of Rs. 300
- House rent collection charges of Rs. 100.
- Collection charges of interest from private money lending activities Rs. 300
- Collection charges of interest on saving and fixed deposits Rs. 150

- Loading and unloading charges of refrigerator of Rs. 200.

Required: Net (Assessable) Income from Investment.

[6]

8. 2065 Q.No. 8

Mr. Khadka furnished the following particulars of his incomes and expenditures for the previous year.

- | | |
|---|-------------|
| • Net (Assessable) income from employment | Rs. 150,000 |
| • Net (Assessable) income from investment | Rs. 200,000 |
| • Net (Assessable) income from business | Rs. 200,000 |
| • Personal travelling expenses paid by him | Rs. 10,000 |
| • Gift given by him to his friends | Rs. 15,000 |
| • Donation to a tax exempt organization | Rs. 6,000 |
| • His life insurance premium on his own life of | Rs. 9,000 |

Required: Tax liability of Mr. Khadka

[5]

9. 2065 Q.No. 11

Mr. Rajendra furnished the following incomes and expenditures for the previous year.

- Interest from private money lending transactions Rs. 130,000
- Royalty from natural resources Rs. 136,000 (Net)
- Dividend from Indian company Rs. 10,000 (After TDS of Rs. 1,000)
- Dividend from resident company Rs. 2,500
- Interest from fixed and saving deposit of Rs. 12,000
- Rent from house Rs. 50,000
- Bad debts recovered (30% not allowed previously) Rs. 8,000
- Share of income from joint investment Rs. 30,000
- Compensation received relating to investment Rs. 6,000

He claimed the following expenses for deductions:

- Natural resources collection charges of Rs. 500
- Dividend collection charges of Rs. 200
- House rent collection charges of Rs. 500
- Collection charges of deposit of Rs. 1000
- Compensation collection charges of Rs. 500
- Collection cost of private money lending transactions Rs. 1000.

Required: Net (Assessable) Income from Investment

[6]

10. 2064 Q.No. 11

Mr. Sigdel furnished the following particulars of his income and expenditure for the previous year:

- | | |
|---|------------------------|
| a. Interest from loan | Rs. 150,000 |
| b. Interest from bank deposit | Rs. 94,000 |
| c. Rent by letting computers | Rs. 85,000 (after TDS) |
| d. Rent from house | Rs. 85,000 (after TDS) |
| e. Income from writing articles | Rs. 8,500 |
| f. Gifts from debtors | Rs. 5,000 |
| g. Bad debts recovered (under investment) Rs. 20,000, out of this 20 percent of the amount was not allowed by IRD to deduct previously. | |
| h. Pension from previous employer | Rs. 65,000 |
| i. Total income from joint investment (60 percent share was owned by Mr. Wagdel). | Rs. 200,000 |

Expenses claimed for deduction:

- | | |
|---|----------------------------------|
| i. Total expenses incurred for earning income from joint investment Rs. 30,000. | |
| ii. Depreciation of rented house | Rs. 65,000 |
| iii. Repair of rented computers | Rs. 15,000 |
| iv. Depreciation on rented computers | Rs. 50,000 (computed as per act) |

Required: Net (assessable) income from investment.

[6]

11. 2064 Q.No. 8

Mr. Ram Kumar furnished the following particulars of his income for the previous year.

- | | |
|--|-------------|
| a. Net (assessable) income from employment | Rs. 200,000 |
| b. Net (assessable) income from business | Rs. 300,000 |
| c. Net (assessable) income from investment | Rs. 100,000 |

He disclosed the following additional information:

- (i) Dividend received Rs. 20,000 from resident company was included in above income whereas commission received on sale of stock Rs. 10,000 was omitted to record.
- (ii) Donation to a public school and contribution to an approved retirement fund were Rs. 25,000 and Rs. 200,000 respectively.

Required: Statement of total taxable income.

[5]

12. 2064 (Old) Q.No. 12

Mr. U furnished the following particulars of his incomes and expenditures for the previous year:

Receipts	Amount	Payments	Amount
To Opening balance of cash	200,000	By Collection cost of interest	2,000
To Interest on private money lending	150,000	By Taxi fare	500
To Royalty from natural resource after TDS	170,000	By Rent for use of office	60,000
To Interest on fixed deposit after TDS	9,400	By Salary to assistant	130,000
To Royalty from books after TDS	42,500	By Legal expenses	20,000
To Amount received in lieu of accepting restriction on investment	60,100	By Donation to tax exempt organizations	30,000
		By Purchase of share	100,000
		By Purchase of office equipment	150,000
		By Balanced of cash at close	139,500
	632,000		632,000

Additional information:

- a. Taxi fare relates to collection of fixed deposit interest.
- b. Collection cost of interest relates to private money lending activities.
- c. Legal expenses relates to preparing legal documents concerning to investment restriction.
- d. Depreciation on equipment purchased is to be charged.

Required: Net (assessable) income from investment.

[5]

13. 2064 (Old) Q.No. 9

Mr. T disclosed the following sources of incomes for the previous year:

- | | |
|---|-------------|
| • Net (assessable) income from business | Rs. 200,000 |
| • Net (assessable) income from profession | Rs. 200,000 |
| • Net (assessable) income from investment | Rs. 50,000 |

He claims for deduction were:

- Life insurance premium Rs. 4,000 on his own policy.
- Contribution to recognized retirement fund Rs. 175,000.
- Medical expenses Rs. 15,000.

Required: (a) Statement of total taxable income (b) Tax payable.

[4+1 = 5]

14. 2063 Q. No. 8

Mr. Pradhan furnished the following particulars of his incomes for the previous year.

- | | |
|---|-------------|
| • Net (assessable) income from employment | Rs. 250,000 |
| • Net (assessable) income from business | Rs. 300,000 |
| • Net (assessable) income from profession | Rs. 100,000 |

He claimed following expenses for deduction:

- | | |
|--|------------|
| • Contribution to recognised retirement fund | Rs. 50,000 |
| • Donation to a tax exempt organization | Rs. 10,000 |
| • Life insurance premium of Rs. 5,000 on a policy amount of Rs. 100,000. | |

Required: (a) Statement of Total Taxable Income