

Law & taxation.  
T. D. C. Part III  
B. Com  
By Dr. S. N. Sethi

Question

Smt Manorama is employed in Meerut as a Production Manager in a textile mills. The particulars of her salary for the previous year 2018-19 are as under.

- (i) Basic Salary. 5000 P.M.
  - (ii) Dearness Allowances (forming part of Basic Salary) 2000 P.M.
  - (iii) Conveyances Allowances for Personal Purpose 1000 P.M.
  - (iv) House Rent Allowance received 3000 P.M.
  - (v) Commission @ 2 1/2% of the turnover received in 12 months 9000
  - (vi) The Actual Rent paid her in Meerut Rs 1800 P.M for an Accommodation till 31.1.2019 from 1.2.2019 the Rent was increased to 2000 P.M.
- Compute taxable salary of Srimati Manorama for Assessment year 2019-20



Qns.

Computation of Taxable salary  
of Smt Manojima  
for the assessment year 2019-20

Basic salary -  $5000 \times 12 = 60000$

Sickness Allowances  $2000 \times 12 = 24000$

Personal Conveyance Allowance  $1000 \times 12 = 12000$

House Rent Allowances 23300

Commission on sales 9000

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128300

- Deduction u/s 16:

Standard deduction 40000

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88300

Taxable salary of  
Smt Manojima ~~60000~~