

8.7.20

Law & Taxation  
B. Com part III

By  
Dr. S.N. Rathore  
Dept of Commerce  
R.N. College, Hajipur

Question.

Mr. Raju is employed in a factory on a monthly salary of Rs 10000. In addition to the salary, he received a bonus equal to two month salary during the previous year. The factory has provided the assessee with rent free unfurnished accommodation. The rent paid by the employee is Rs 700 p.m. one son of assessee is studying in the U.S.A. and his expenses are born by the employer, which for the Accounting year amount to Rs 7000. He is provided with a small car by the employer which is fully used for official purpose. All expenses of the car are paid by the factory. He is getting entertainment allowances @ Rs 400. The employer has given to Raju a gift voucher of Rs 2000.

Compute his taxable income from salary for the assessment year 2019-20.

Ans.

# Computation of Taxable Income of Mr. Ravi from Salary.

Assessment year 2019-20

Salary  $10000 \times 12 = 120000$

Bonus -  $10000 \times 2 = 20000$

Entertainment Allowance  
 $400 \times 12 = 4800$

Rent Free House  $12 \times 700 = 8400$   
~~7200~~

Educational expenses 7000

Car (Exempt) —

Gift vouchers - 2000

Gross Salary 162200

(-)

~~200~~ Deduction u/s 16

Standard deduction 40000

Taxable Salary

122200