

11.7.20

Law & Taxation.

B. Com Part III

By
 Mr. S.N. Pathak
 Dept of Commerce
 R.N.C. Hajipur.

Question.

Harish Agarwal is a Practising Chartered Accountant. He maintains Cash Account. The Receipt and Payment Account for the year ended on 31 ~~Mar~~ March 2019 is given below:

Receipts		Payment	
	Amount		Amount
Balance b/d	9300	Office Rent	2400
Audit fees	64700	Salary of Audit Clerks	24800
Income from other Accounting work	56800	Allowances of Articles Clerk	1800
Fee for conducting Income Tax Appeal	8100	Salary	32400
Examiner's fee from University	600	Municipal Tax	400
Dividend	7840	Personal expenses	53500
Rent from Property	4000	Membership fees	1100
	151340	Life Insurance	1500
		Income tax	2500
		Motor car fund	9000
		Expenses on motor car	600
		Insurance of House	300
		Balance c/d	21040
			151340

Having regard to the fact that one third of motor car expenses are in respect of his professional practice, compute the professional income of Harish for Assessment year 2019-20. Depreciation on car 15%



M.M.

Ans. →

Computation of Professional Income of Harsh Agrwal Assessment year 2019-20

Income from Profession:

Audit Fees.	64700
Income from Accounting work.	56800
Examiner's Fees.	600
Fee for conducting appeals.	8100
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	130200

Less Admissible Payment.

Office Rent	2400
Salary of Audit clerk	24800
Allowances of clerk	1800
Articles	32400
Salaries -	
Membership Fees	1100
1/3 of Motor Car Depn	200
1/3 of Motor car Dep	450
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	63150

Professional Income. 67050