



- NB: 1) All questions are compulsory subject to internal choice.  
2) Figures to the right indicate full marks.  
3) Use of Simple Calculator is allowed.

Q.1.

(A) Match the following: (Any 8):

(08)

Column "A"		Column "B"	
1.	Interest on Higher Educational loan	a.	Upward Sloping
2.	Housing Loan Installment	b.	Downward Sloping
3.	Normal Yield Curve	c.	Deduction u/s 80D
4.	Inverted Yield Curve	d.	Deduction u/s 80E
5.	Medical Insurance Premium	e.	Deduction u/s 80C
6.	Earning Capacity of an Individual	f.	Human Life Value
7.	Objectivity and Competence	g.	Principle of Wealth Creation
8.	Pay Yourself First	h.	Principle of Insurance
9.	Principle of Indemnity	i.	Total Assets – Total Liabilities
10.	Net Worth	j.	Code of Ethics For Wealth Managers

Q.1.

(B) State whether the following statements are True or False (any 7):

(07)

- 1) Business loss cannot be set off against salary income.
- 2) Yield refers to the annual return on an Investment.
- 3) Human Life Value concept deals with human capital.
- 4) CAGR return is same as Holding Period Return.
- 5) Insurer is the one who undertakes the responsibility of risks.
- 6) Health insurance policies are not issued for less than one year period.
- 7) Inflation rate has direct impact on wealth creation.
- 8) MIS provides regular income to the investors.
- 9) Long term capital loss cannot be set-off against short term capital gain.
- 10) Deduction for donation to a charitable trust can be claimed u/s 80G.

Q.2.

(A) What is Wealth Management? Explain its scope in brief.

(08)

(B) What are the reasons for changes in interest rates?

(07)

OR

(P) Mr. Mohanji furnishes the following details for the year ended 31<sup>st</sup> March, 2019:

(15)

Particulars	Amount in Rs.
Short Term Capital Gain	2,40,000
Income from business of Electronics	4,00,000
Loss from Speculative business	(-)2,40,000
Long Term capital Gain on Sale of Land	1,20,000
Long term Capital Loss on Sale of Shares	(-) 2,00,000
Income from Salary	8,00,000
Loss from House Property A	(-) 2,60,000

Income from owning and maintaining of Race horses	1,00,000
Income From House Property B	2,40,000
Income from House Property C	1,80,000

Following are the carry forward losses

- (1) Carry forward loss from business of electronics: Rs. 1,40,000, pertaining to the year 2017-18.
- (2) Losses from the activity of owning and maintaining race horses pertaining to assessment year 2016-17 : Rs. 3,00,000

Compute Gross Total Income of Mr. Mohanji for the Assessment Year 2019-20. Also state the eligible carry forward losses for the Assessment Year 2019-20.

**Q.3.**

- (A) Explain the Primary and Secondary functions of Insurance in brief. (08)
- (B) "Goal based Wealth Management is better" Justify the statement. (07)

**OR**

- (P) Following is the Balance Sheet of Kabir Singh and Sons as on 31<sup>st</sup> March, 2019 (08)

Liabilities	Rs.	Assets	Rs.
Equity Share Capital	25,00,000	Plant & Machinery	20,00,000
General Reserve	5,00,000	Building	10,00,000
Share Premium	2,50,000	Stock	8,50,000
9% Debentures	10,00,000	Sundry Debtors	10,29,000
11% Preference share capital	8,00,000	Cash & Bank balance	3,25,000
Sundry Creditors	2,50,000	Short Term Investments	2,78,000
Bank Overdraft	2,05,000	Profit and Loss Account	1,84,000
Provision for Taxation	50,000	Shares Issue Expenses	8,000
Proposed dividend	1,45,000	Preliminary Expenses	26,000
	<b>57,00,000</b>		<b>57,00,000</b>

You are required to calculate:

- i) Current Ratio
- ii) Acid Test Ratio
- iii) Debt Equity Ratio
- iv) Capital Gearing Ratio

- (Q) Mr. Shahrugh purchased a house property for Rs. 20,00,000 on 1<sup>st</sup> September, 1995. He incurred expenses of Rs. 7,00,000 in financial year 1997-98 and Rs. 2,50,000 in the financial year 2006-07 on the same. (07)

The fair market value of the property on 01-04-2001 was Rs. 25,50,000. He sold the property on 1<sup>st</sup> December, 2018 for Rs. 95,00,000. Brokerage of Rs. 85,000 was incurred on sale transaction. He purchased a new Residential house on 1<sup>st</sup> February, 2019 for Rs. 30,00,000.

The Cost inflation index for various years is given: 2001-02 = 100, 2006-07 = 122, 2018-19 = 272 and 2018-19 = 280.

Compute the net capital gains of Mr. Shahrukh.

Q.4.

(A) What is Estate Planning? Explain its Objective. (08)

(B) What are different types of Will? (07)

OR

(P) Compute the taxable income and tax liability of Mr. Naseem who is a **handicap** assessee for the Assessment Year 2019-20. (08)

Particulars	Amount (Rs.)
Income from Business	3,60,000
Interest on Post Office Savings Bank A/c	5,500
Income from house Property	48,000
Income from salary	2,40,000
Winning from Lotteries	30,000
Interest on FD with Banks	10,000
Interest on National Savings Certificate	5,000
Contribution to Pension Fund	54,000

(Q) Mr. Nitin is an assessee whose income is estimated at Rs. 22,00,000 during the Previous Year. Calculate the advance tax payable on the respective due dates. (07)

Q.5

(A) What are the steps in Retirement Evaluation and Planning? (08)

(B) Explain the principles of Wealth Creation in brief. (07)

OR

Q.5. Write Short Notes on (any three) (15)

- i) Post Office Monthly Investment Scheme (MIS)
- ii) Importance Of Yield Curve
- iii) Responsibilities of the insured
- iv) ULIP Pension Scheme
- v) Limitation of Ratio analysis

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