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Question 1

Mr. Ravi aged 28 years is a marketing professional who earns a salary of Rs. 50000 p.m. He is very concerned about his retirement expenses. For the same he has started saving Rs. 6000 p.m. regularly in a bank fixed deposit paying an interest of 9.5% p.a. since the age of 23.

At the age of 38, he is thinking of buying a house on his retirement which is 25 years away.

He has estimated that the price of the house at his retirement will be Rs. 4000000. Calculate the amount of retirement corpus accumulated by him and the extra savings he has to make at the age of 38 in order to purchase the house? (Inflation rate = 3% p.a.)

Options:

A- Rs. 32617751 &Rs. 9281

B- Rs. 20036777 &Rs. 6870

C- Rs. 32617751 &Rs. 3281

D- Rs. 20036777 &Rs. 3500

Answer:

C

Question 2

Ram purchased a house in Mumbai in March 2000 for Rs.3,50,000. In April,2011 he entered into an agreement to sell the property to Shyam for a consideration of Rs.19,75,000 and received earnest money of Rs.5,00,000. As per the terms of the agreement, the balance payment was to be made within 30 days of the agreement. If the intending purchaser does not make the payment within 30 days, the earnest money would be forfeited. As Shyam could not make the payment within the stipulated time the amount of Rs.5,00,000 was forfeited by Ram.

Which of the following statement is correct in respect of the above problem? [CII-12-13: 852,11-12: 785,10-11:711,84-85: 125]

Options:

A- Rs.500000 will be taxable as short term capital gain

B- Rs.500000 will be taxable as long term capital gain

C- Rs.150000 will be taxable under some other head other sources

D- Rs.150000 is not liable to tax

Answer:

C

Question 3

Mr. Sushil, is 35 years old and working as a physician in a private hospital. He will retire at the age of 60. He is saving Rs. 30,000/- p.a. at the end of every year for past 5 years and will continue to save the same up to his retirement @ 7% p.a. His annual expenditure is Rs. 3,00,000/-. Life expectancy of Mr. Sushil is 75 years. On retirement, rate of interest is expected to be 6%. Calculate on retirement how much he can spend per annum if he leaves Rs. 5,00,000/- as estate for next generation?

Options:

A- Rs. 2,47,375

B- Rs. 2,51,823

C- Rs. 2,54,997

D- Rs. 2,42,320

Answer:

C

Question 4

You want to take a trip overseas which costs Rs. 10 lacs. The cost is expected to remain unchanged in nominal terms. You can save annually Rs. 50000 to fulfill the desire. How long will you have to wait if your savings earn an interest rate of 12%?

Options:

A- 10.79 years

B- 11.00 years

C- 11.23 years

D- 10.99 years

Answer:

A

Question 5

Ramesh retired as General Manager of XYZ Co. Ltd. On 30.11.2012 after rendering service for 20 years and 10 months. He received Rs. 300000 as gratuity from the employer. (He is not covered by Gratuity Act, 1972).

His salary particulars are given below:

Basis Pay	Rs. 10000 per month up to 30.6.2012
Basic Pay	Rs. 12000 per month from 1.7.2012
Dearness allowance (Eligible for retirement benefits)	50% of basic pay
Transport allowance	Rs. 1500 per month

He resides in his own house interest on monies borrowed for the self occupied house is Rs. 24000 for the year ended 31.03.2013

Compute taxable income of Ramesh for the year ended 31.03.2013.

Options:

A- 258900

B- 272600

C- 265450

D- 285470

Answer:

B

Question 6

Question Type: MultipleChoice

Jaya is the owner of two residential houses. She sold one house on 23-12-2011 for Rs.12,50,000 which was purchased by her on 25-4-1979 for Rs.80,000. The market value of the land as on 1-4-1981 was Rs.98,000. Expenses on transfer were 1.5% of the sale price. The entire sale proceeds was utilized to construct the first and second floor on her second house which she completed by 15-3-2010. Compute the capital gain for the assessment year 2012-13. [CII-12-13: 852,11-12: 785, 10-11:711, 83-84: 116]

Options:

A- 562506

B- 461950

C- 570360

D- NIL

Answer:

B

Question 7

Question Type: MultipleChoice

A businessman sold Rs. 85 lakh value of unlisted securities on 20th December 2012. These shares were acquired in April 2008 for Rs. 20 lakh. He invested Rs. 40 lakh from these proceeds in February 2013 in his first residential house to avail benefit under Section 54F of the Income-tax Act, 1961. What approximate amount of bonds specified under Section 54EC should he purchase and by what date so as to make his capital gains liability almost "Nil" towards these transactions? Cost inflation index for FY 2008-09: 582, 2012-13: 852.

Options:

A- Rs. 26.23 lakh, 19th June 2013

B- Rs. 15.73 lakh, 30th July 2013

C- Rs. 27.01 lakh, 30th July 2013

D- Rs. 29.50 lakh, 19th June 2013

Answer:

D

Question 8

Question Type: MultipleChoice

Calculate the Paid up Value (PV) under a policy with the following particulars:

Sum assured (SA)	Rs. 25,000
Plan and terms	25 Years
Date of commencement	14/06/1989
Mode of payment	Quarterly
Last Premium paid due on	14/03/2007

Consolidated Reversionary Bonus declared by the insurer from March, 1990 to March 2006 is 550/- per thousand sum assured. Bonus declared for the year ending March 2007 is @ Rs. 70/- per thousand.

Options:

A- Rs. 19,750

B- Rs. 18,000

C- Rs. 33,500

D- Rs. 31,750

Answer:

C

Question 9

Mr. Shyam has a portfolio consisting of two stocks A & B. Stock A has a standard deviation of 5 % while stock B has a standard deviation of 15%. Stock A comprises 40% of the portfolio and Stock B consists of 60%. If the correlation of returns of A& B is .5, the variance of return on the portfolio is _____.

Options:

A- --0.0035

B- --0.0085

C- 0.0094

D- 0.0103

Answer:

D

Question 10

Roger deposits Rs. 10,00,000 in a bank account on 1st March 2005 and another Rs. 5,00,000 on 1st March 2011. He wants to withdraw all of this money with interest on 1st March 2015. If the account pays ROI of 11% P.A. compounded quarterly what amount can he withdraw from this account?

Options:

A- 2959874

B- 771755

C- 3731629

D- 3598455

Answer:

C