

Duration: 2 ½ hours

Marks : 75

- Note:** 1) All questions are compulsory.
2) Figures to the right indicate full marks.
3) Working Notes should form part of your answer.

Q. 1A) Choose the correct alternative : (any 8 out of 10) (8)

- 1) One who is liable to pay the income tax in India _____.
a) Indian Citizen b) Resident in India c) Any person d) An assessee
- 2) CII under income from capital gain refers to _____.
a) Cost inflation index b) Cost improvement index c) Capital income index
d) Cost income index
- 3) Deduction under 80C allowed to the extent of _____.
a) Rs. 1,00,000 b) Rs. 1,50,000 c) Rs. 2,00,000 d) Rs. 50,000
- 4) _____ taxable as a salary income.
a) Short term capital gain b) Entertainment Allowance c) Interest on Bank FD d) Lottery prize.
- 5) Income earned during what period is taxed ? _____.
a) Assessment year b) Previous year c) Financial year d) Academic year
- 6) Maximum amount of deduction for the entertainment allowance is _____.
a) Rs. 1,500 b) Rs. 2,500 c) Rs. 3,400 d) Rs. 5,000
- 7) Interest paid on loan taken for the purchase of the house property is deducted from _____.
a) Net annual value b) Gross annual value c) Rent received d) Proportionate value
- 8) Any assets used for less than 180 days in the year of acquisition then amount equal to _____ of the amount calculated using normal depreciating rates is allowed as depreciation.
a) 10% b) 20% c) 50% d) 100%
- 9) Bad debts is allowed as a deduction under _____.
a) Income from capital gain b) Income from business or profession c) Income from house property d) Income from salary
- 10) _____ is not allowed as a business expenditure.
a) Income tax b) Depreciation c) Salary d) Wages

Q.1B) State whether following statements are True or False (any 7 out of 10) (7)

- 1) Shivaji University is an artificial juridical person.
- 2) Profit on sale of import license is taxed under the head business income.
- 3) Gratuity received by a Government employee is exempt from tax.
- 4) Interest on loan taken for house property is also allowed as a deduction under self-occupied property.
- 5) Entertainment allowance is fully taxable for non-government employee.
- 6) Capital gain arises from the transfer of capital assets.
- 7) Dividend from Indian company is fully exempt from tax.
- 8) Municipal taxes is deducted from net annual value.
- 9) Section 80 TTA allows deduction for the interest on saving bank accounts.
- 10) Rent received from open plot of land is taxable under income from business.

Q. 2A) Mr. Aman is an employee of G Ltd. has provided following information about his

Income during the previous year 31st March,2022. (15)

- a) Basic salary Rs. 1,00,000 per month
- b) Dearness Allowance 30% of basic salary
- c) House rent allowance received Rs.14,000 per month (exempt Rs.10,000per month)
- d) Entertainment allowance Rs.5,000 per month
- e) Taxable Perquisite Rs. 20,000 p.a.
- f) He has paid Professional tax Rs. 2,500 p.a.
- g) Dividend from Indian company received Rs. 80,000.
- h) Interest on debentures received Rs. 1,20,000.
- i) He invested Rs.1,50,000 in Public provident fund.
- j) He made payment of medical insurance premium of Rs.22,000 by cheque.

Compute his net taxable income for assessment year 2022-23.

OR

Q.2P) From the following income of Mr. Anmol , compute his gross total income for the assessment year 2022-23 if he is , (15)

(a) Resident and ordinarily resident.

(b) Non-resident

Sr.no	Particulars	Rs
1	Income from agricultural in USA	20000
2	Interest from Bank A/c in India	60000
3	Dividend on shares of co-operative bank in India	70000
4	Salary earned and received in Tokyo	80000
5	Income from business in UK controlled from Mumbai	20000
6	Income received in Pakistan for services rendered in India	20000
7	Income from Bonds issued by Indian companies	34000
8	Past untaxed profit earned outside India bought to India	26000
9	Income from Property in Rome received in India	22000
10	Professional Fees earned in India received in Japan	25000

Q.3A) Mr. Doshi purchased a residential house on 1st June 1999 for Rs. 1,40,000, the fair market value of the house as on 1st April, 2001 was Rs. 4,00,000. He incurred Rs.1,00,000 towards cost of improvement during the previous year 2003-04. Subsequently he incurred Rs. 5,00,000 on its improvement on 1-7-2010. He sold the house on 31st December, 2021 for Rs. 75,00,000. He paid the brokerage of Rs. 1,00,000. On 13th January ,2022, he purchased a house property for Rs. 30,00,000 and invested Rs. 15,00,000 in specified bonds issued by RECL. The cost inflation index for the financial year 2001-02 is 100, for the financial year 2003-04 is 109, for the financial year 2010-11is 167 and for the financial year 2021-22 is 317. Compute the income from capital gain for the assessment year 2022-23.

(15)

OR

Q. 3P) Following is the Profit & Loss Account of the Proprietary concern of Mr. Sabawala for the year ending on 31-3-2022. (15)

Dr.		Cr.	
Profit & Loss Account for the year ended on 31 st March, 2022			
PARTICULARS	AMOUNT	PARTICULARS	AMOUNT
To Salaries	3,50,000	By Gross Profit B/d	6,47,500
To Rent	25,000	By Bad Debts recovered	5,700
To Printing and Stationary	6,000	[Earlier allowed as deduction]	
To Telephone Expenses	12,000	By Dividend from UTI	12,800
To Travelling and Conveyance	22,000		
To Interest	72,000		
To Depreciation	24,000		
To Legal Fees	12,000		
To Auditors Fees	10,000		
To Contribution to Provident Fund	25,000		
To Net Profit c/d	1,08,000		
	6,66,000		6,66,000

Additional Information:

- Salaries include Rs. 100,000 paid to the son of the proprietor. Reasonable salary would have been Rs. 80,000.
 - Interest paid include Rs. 8,000 being the interest paid on loan borrowed for personal purposes.
 - Out of the contribution to Provident Fund 4,000 was not paid till the date of filing the return.
 - Depreciation as per Income-tax 15,000.
- Compute his taxable income for Assessment Year 2022-2023.

Q. 4A) B, owns a building consisting of three identical units whose construction was completed on March 31, 2021. The building was occupied from April 1, 2021 onwards. The particulars pertaining to the three units for the year ended March 31, 2022 are given below: (15)

Particulars	Unit I Rs.	Unit II Rs.	Unit III Rs.
Fair Rent	60,000	60,000	60,000
Rent received	-	72,000	-
Municipal Taxes Paid	3,000	5,000	3,000
Municipal Taxes due but not yet paid	3,000	5,000	3,000
Land revenue due but not paid	1,200	1,200	1,200
Ground rent due, not yet paid	2,400	2,400	2,400

Nature of occupation: Unit I - Self occupied for residence; Unit II - Let out for residence; Unit III used for own business.

On April 1, 2019 he had borrowed a sum of 5,00,000 bearing interest at 12 per cent per annum for construction of this building. The total cost of construction of the building Rs. 12,00,000. Compute the income from house property of B for the assessment year 2022-23.

OR

Q. 4P) Mr. Rajesh Bapat who is physically disabled person (50% disability) as certified by medical authority is employed with Ravi Kishan College of Commerce. He furnishes the following information for the previous year 2021-22. Compute his taxable income for A.Y. 2022-23.

Basic Salary	Rs. 10,000 p.m.
DA	Rs. 3,500 p.m.
Arrears of Salary (not Taxed earlier)	Rs. 10,000
Medical Expenses reimbursement	Rs. 12,000
Leave Salary Received	Rs. 14,000
Examiner ship fees from the college	Rs. 2,000
Fees for setting T.Y.B.Com. papers for Mumbai University	Rs. 4,000.
Royalty received from Marvel Publications for writing on accountancy	Rs.20,000, Expenses incurred for writing manuscript of this book Rs.4,000, Profession Tax paid Rs.2,000. (15)

Q.5A) Discuss items specifically taxable under the head-income from other sources. (8)

B) Define Capital assets under section 2 (14). (7)

OR

Q.5) Write short notes (any three) (15)

- Gross annual value
- Basic condition of residential status
- Short term capital gain
- Pre construction interest
- Entertainment Allowance
