

Duration: 2.5 hours

Marks-75

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

Q.1. A. Select the correct alternatives and rewrite the sentence. (Any 8) [08 Marks]

- 1) Akhil Bhartiya Mitra Mandal is treated under income tax laws as _____.
 - a) a Company
 - b) an association of person
 - c) a body of individuals
 - d) an artificial juridical person
- 2) Gas, Electricity or water supply provided free of cost _____.
 - a) Is exempt from tax
 - b) Is a perquisite taxable in case of all employees
 - c) Is a perquisite taxable in case of only specified employees
 - d) Is a perquisite taxable in case of only non-government employees
- 3) Municipal Taxes to be deducted from GAV should be _____.
 - a) Paid by tenant during the previous year
 - b) Paid by owner during the previous year
 - c) Accrued during the previous year
 - d) Accrued or paid by owner whichever is low
- 4) Salary, Bonus, commission, or remuneration due to or received by a working partner from the firm under the head _____.
 - a) Income from salary
 - b) Income from other sources
 - c) Business Income
 - d) Income from house property
- 5) To be a long-term capital asset, a residential house property should be held more than _____.
 - a) 12 months
 - b) 24 months
 - c) 36 months
 - d) 60 months
- 6) Employee G is neither government employee nor covered under the Payment of Gratuity Act 1972. He has completed 16 years and 8 months service. The number of services is considered for Gratuity exemption is _____.
 - a) 16 years
 - b) 19 years
 - c) 18 years and 8 months
 - d) 17 years

- 7) Mr. Y has received a sum of Rs. 51,000 on 14/12/2022 from relatives on the occasion of his marriage, then _____.
- a) Entire Rs. 51,000 is chargeable to tax
 b) Only Rs. 1,000 is chargeable to tax
 c) Entire Rs. 51,000 is exempt from tax
 d) Only 50% (Rs.25,500) is chargeable to tax
- 8) The quantum of deduction allowed under section 80D for self and spouse shall be limited to _____.
- a) Rs. 25,000
 b) Rs.50,000
 c) Rs.10,000
 d) Rs.15000
- 9) The quantum of deduction allowed in case of a person with several disabilities under section 80 U will be Rs. _____
- a) 75,000
 b) 1,25,000
 c) 50,000
 d) 40,000
- 10) Leave Encashment Maximum amount for exemptions is Rs. _____
- a) 3,00,000
 b) 1,00,000
 c) 5,00,000
 d) 2,00,000

Q.1. B. State the following statements are True or False. (Any 7)

[07 Marks]

1. Assessment does not include re-assessment
2. Once a person is resident in previous year, he shall be deemed to be resident for subsequent previous year.
3. Commuted Pension received by a non govt. employee is exempt.
4. Annual value of both self-occupied properties shall be nil.
5. Reserve for bad debts can be deducted from profits of business.
6. Capital Gain arises from the transfer of any Capital asset.
7. Contribution to PPF is deduction under 80D.
8. Winning from lottery is taxable under the other sources
9. Gift received from mother is fully taxable.
10. Interest on Fixed Deposit Account is deduction Under Section 80 TTB

Q.2 A. Mr. Yash an Indian Citizen furnishes you the following information of his income earned during the year 2022-23

| Sr no | Particulars | Rs |
|-------|---|--------|
| 1 | Professional fees received in India | 11,000 |
| 2 | Income earned in India but received in Rome | 12,000 |
| 3 | Dividend on shares of Indian Companies received in Abroad | 6,000 |
| 4 | Salary earned and received in Paris | 14,000 |
| 5 | Income From Agriculture in Nepal | 15,000 |
| 6 | Income from business in UK controlled from India | 16,000 |
| 7 | Interest on Bank Accounts in U.S.A. | 11,000 |
| 8 | Income from House Property in India | 10,000 |

Compute his total income for the Assessment year 2023-24 assuming he is

- 1) R and OR 2) R and NOR and 3) NR. (15)
OR

Q.2 P. Ms Isha who is physically disabled person (50%), works as Professor in a Private college. The details of her salary and other information for previous year 2022-23 are as follows.

- Basic Salary Rs.7,50,000.
- Dearness Allowance at 2,50,000.
- Transport allowance Rs.26,000
- Re-imbursement of Medical expenses Rs.18,000
- Allowances from examination work at college Rs. 12,000
- Advance Salary received Rs. 50,000.
- Professional tax paid 2,500

Other Information

| | |
|--|--------|
| Exam remuneration received from Mumbai university | 10,000 |
| Gift from Grand Father | 55,000 |
| Dividend from Indian Companies | 15,000 |
| Interest on term Deposit with companies | 10,000 |
| Interest on debentures of Indian Companies | 30,000 |
| She paid medical insurance premium for her dependent son | 28,000 |

Compute her taxable Income for the Assessment year 2023-24 (15)

Q.3 A. Yogen is owner of two-house properties of which House 1 has been Self Occupied and another is let out. Particulars of these properties are as follows.

| Particulars | House 1(SOP) | House 2 (LOP) |
|--|--------------|---------------|
| Actual Rent received | - | 6,50,000 |
| Municipal Valuation | 4,20,000 | 6,10,000 |
| Fair Rent | 4,00,000 | 6,00,000 |
| <u>Municipal Taxes Paid</u> | | |
| Tenant | 5,000 | 6,000 |
| Owner | 30,000 | 40,000 |
| Interest paid on loan taken for construction of house property | 1,60,000 | 1,50,000 |
| Fire Insurance | 8,000 | 10,000 |
| Ground Rent | 2,000 | 5,000 |
| Date on Loan Taken | 26/11/2017 | 22/10/2016 |

Other Information:

- Dividend from Mafatal industries Rs.10,000
- Interest on Fixed deposit with bank of India Rs.10,000.
- He paid medical insurance premium of Rs. 18,000 for self by cheque.

Determine his total income for the assessment year 2023-24 (15)

OR

Q.3. P Mr. Ganesh Joshi acquired a residential Property for Rs.4,00,000 on 5th March 1992. Additional information pertaining to property was as follows.

- Fair Market Value as on 1st April 2001 was Rs.4,80,000.
- Cost of Improvement are as follows

| Financial Year | Rs | Cost Inflation Index |
|----------------|----------|----------------------|
| 1994-95 | 1,00,000 | - |
| 2001-02 | - | 100 |
| 2006-07 | 2,40,000 | 122 |
| 2015-16 | 8,00,000 | 254 |
| 2016-17 | 7,60,000 | 264 |

- He sold residential property on 25-02-2023 for Rs,3,60,00,000.
 - He Acquired new residential house for Rs.70,00,000 on 10-03-2023.
 - He also invested Rs.15,00,000 in Rural Electrification Corporation Bond on 22-03-23.
- Compute the Capital Gain for assessment year 2023-24. (15)**

Q.4. A. Mr. Sujay Proprietor of Ajanta toys & Co gives you the following information for the year ended March 2023. (15)

Profit and Loss Account for the year ended 31st March 2023

| Debit | Rs | Credit | Rs |
|-----------------------|-----------------|-----------------------------------|-----------------|
| To Salaries | 70,000 | By Gross Profit | 3,90,000 |
| To Conveyance | 15,000 | By Winning from Horse race | 5,000 |
| To Printing Expenses | 10,000 | By Interest on Bank Fixed deposit | 4,000 |
| To Staff Welfare | 30,000 | By Gift from Friend | 16,000 |
| To Investment in PPF | 35,000 | | |
| To Depreciation | 15,000 | | |
| To Income Tax | 20,000 | | |
| To Advertisement | 7,500 | | |
| To Accounting Charges | 5,000 | | |
| To Net Profit | 2,07,500 | | |
| Total | 4,15,000 | Total | 4,15,000 |

Additional Information

- Depreciation as per Income Tax Rule Rs.10,000
- Salaries include salary to proprietor Rs.36,000.
- Advertisement includes Rs. 2,500 in a souvenir published by political party.
- Conveyance include Rs.5,000 towards personal purpose.

You are required to calculate his total taxable income for A.Y. 2023-24.

OR

Q.4 P. Mr. Nilesch Proprietor of N & Co gives you the following information for the year ended March 2023.

(15)

Profit and Loss Account for the year ended 31st March 2023

| Debit | Rs | Credit | Rs |
|---------------------------|-----------------|---------------------------|-----------------|
| To Salaries | 80,000 | By Gross Profit | 3,10,000 |
| To Fire Insurance Premium | 12,000 | By Interest on FD | 8,000 |
| To Staff welfare expenses | 20,000 | By Winning from Lotteries | 8,000 |
| To Repairs & Maintenance | 5,000 | By Gift from a friend | 7,000 |
| To Salary to proprietor | 12,000 | | |
| To Advertisement | 15,000 | | |
| To Depreciation | 13,000 | | |
| To Advance Income Tax | 8,000 | | |
| To Audit Fees | 15,000 | | |
| To Net Profit | 1,53,000 | | |
| Total | 3,33,000 | Total | 3,33,000 |

Additional Information

- Depreciation as per Income Tax Rule Rs.14,000
- Advertisement includes Rs.10000 in a souvenir published by a political party.
- Repairs & Maintenance are fully incurred for residential house of proprietor.
- He Paid LIC premium of Rs. 55,000.
- He Paid Interest of Rs.30,000 on education loan taken from Bank of India for his son.

You are required to calculate his taxable income for A.Y. 2023-24.

Q.5. A Explain Basic and additional conditions of residential status (08)

Q.5. B. Explain the concept of Gift in Income from other sources (07)

OR

Q.5 C. Write short Notes: (Any 3) (15)

1. Explain Deduction 80 DD and 80 U
2. Pension
3. Long Term and Short-term Capital Asset
4. Assessment Year and Previous Year
5. Interest on Borrowed Capital
