

Time:2 Hours

Total Marks : 60

1. All Questions are compulsory of 15 marks each.
2. Exercise internal options wherever given.
3. Figures to the right represent full marks to the question.
4. All questions should be answered w.r.t assessment year 2023-24.
5. All workings shall form part of the main answer.
6. Use of simple calculator is allowed.

Q1.

Following is the profit and loss account of "M/s Vienna & Austen" Firm for financial year 2022-23, you are asked to compute income of firm and its tax liability for the assessment year 2023-24. (15)

Particulars	Amount (Rs)	Particulars	Amount (Rs)
To Salaries	3,15,000	By Gross Profit	21,35,000
To Rent of Office	1,57,500	By Rent from Subletting.	70,000
To Discount	10,500	By Winning from Lottery	3,10,000
To Premium on Life Insurance policy	24,500	By Interest on Fixed Deposit A/c	91,000
To Loss by Fire	42,000	By Profit on sale of computers	40,000
To Bad Debts	28,000		
To Penalties	77,000		
To Interest to Partners@10%	2,17,000		
To Repairs to Office Furniture	77,000		
To Depreciation	1,12,000		
To Gifts to Clients	28,000		
To Salary to Partners	10,50,000		
To Net Profit	5,07,500		
	26,46,000		26,46,000

Additional Information.

1. Depreciation as per Income Tax Act is Rs 1,05,000
2. Salary amongst partners i.e., Vienna and Austen are to be shared equally. Their profit-sharing ratio also remains equal.
3. The repairs to office furniture included Rs 15,000 paid in cash.

OR

Q1. From the following Income and Expenditure Account of Dr. Surendra compute his taxable income and tax liability for the Assessment year 2023-24. (15)

Income & Expenditure Account for the year ended 31-03-2023.

Particulars	Rs.	Particulars	Rs.
To Salaries to staff	6,00,000	By Consultation Fees	9,25,000
To Dispensary Expenses	2,45,500	By Visiting Fees	1,95,000
To Purchase of medicines	55,800	By Sale of Medicines	1,27,500
To Rent of Dispensary	84,000	By Gift from Patients	72,500
To Membership Fees	5,000	By Rent from House	1,80,000
To Income Tax	30,000	Property	
To Municipal Tax for Rented House	15,000		
To Interest on Housing Loan for Rented House	32,000		
To Donations	10,000		
To Printing and Stationary	12,200		
To Depreciation	60,000		
To Surplus	3,50,500		
Total	15,00,000	Total	15,00,000

Additional Information:

- 1) Gifts from patients include Rs. 2,500 from his mother in personal capacity.
- 2) Depreciation as per Income Tax Rules Rs. 55,000.
- 3) He paid Rs. 50,000 to State Bank of India towards Principal of Housing Loan.
- 4) He paid Rs. 20,000 for medical insurance of self, his wife and children.
- 5) He paid Life Insurance Premium for himself Rs. 25,000.

Q2.

Mr. Siddhesh, works in Crystal Ltd., a private company, From the following particulars of income provided for the previous year ended 31st March, 2023. (15)

Particulars	Amount (Rs)
Basic salary	15,50,000 per annum
Commission received	2,50,000 per annum
Advance salary received	1,00,000
Perquisite value of subsidised meal at workplace	35,000 per annum
House Rent Allowance (Exempt House Rent Allowance Rs.3,50,000)	4,18,500 Per annum
Profession tax paid	2,500 per annum
Other Information:	
Interest on Debentures of Indian Companies	25,000
Interest on saving bank account with Bank of Maharashtra	18,000
Dividend from Indian Companies	15,000
Gift from Grandfather	51,000
He paid medical insurance premium for his dependent daughter	Rs. 29,000.

You are required to compute the net taxable income for the Assessment year 2023-24.

OR

Q.2 Mr. Gopal is the Sales Manager of M/s "AMAR FOOD PRODUCTS Pvt. Ltd." He provides you the following information for the previous year ending on 31-3-2022. (15)

1. Basic Salary @₹15,500 p.m.
2. Dearness Allowance ₹1,900 p.m.
3. Bonus ₹28,000/-.
4. Commission on sales@ 10%.
5. Sales during the year ₹38,09,900/-.
6. Perquisite value of car ₹29,540 being used for personal purposes.
7. Education Allowance @ ₹1,600 per month. (Exempt u/s 10(14) 1,200/-)
8. Received Entertainment Allowance @₹ 1,825/- p.m. since 1st January, 2023.
9. He was abroad on company's work during the month of February, 2023. Expenses incurred by him abroad ₹96,385/-was reimbursed to him.
10. Sweeper, Cook and Watchman provided at a salary of ₹800/- p.m. each.
11. Gas, water and Electricity bills amounting to ₹12,000 for personal use is paid by employer.
12. Employer deducted profession tax ₹2,500/- for the year 2022-23.
13. He is director with AB & Co. and received sitting fees Rs 50,000.
14. Dividend received from foreign companies Rs.20,000.

You are required to compute Taxable Income of Mr. Gopal for the assessment year 2024-23.

Q3.

Mr. Jaydeep provides the following information. You are required to compute net taxable income for Assessment year 2023-24.

He has two Residential House Property. Property 1 is Let out for Business. Property 2 used by Mr. Jaydeep for his own residence. (15)

Particulars	Property 1	Property 2
Fair Rent	20,00,000	12,00,000
Municipal Valuation	24,00,000	10,00,000
Standard rent	18,00,000	11,00,000
Interest on Loan taken for construction of property	1,50,000	2,75,000
Municipal tax paid by tenant	10%	-
Fire insurance premium	10,000	10,000
Rent per month	2,00,000	-

Additional information:

1. Interest revied on Saving bank Account with Bank of India Rs.35,000.
2. Income from lottery Rs.15,000.
3. Investment made in the PPF Rs.1,50,000.

OR

Q3.(A)

(8)

Mr Aakash purchased a house Property for Rs 25,50,000 on 20th August 2001. He made further improvement in the financial year 2015-16 and financial year 2018-19, where he constructed first and second floor for Rs 14,50,000 and Rs 6,00,000 respectively.

During the previous year 2022-23, on 5th November 2022 he sold the property for Rs 1,95,00,000, he paid brokerage of 2% on the sale value. The fair market value of the property on 1.4.2001 was Rs 18,25,000.

He invested Rs 40,00,000 in REC bonds on 25-03-2023.

Compute his Capital Gains for the Assessment Year 2023-24.

Relevant Cost Inflation Indices are as follows

Previous Year	Cost Inflation Index
2001-02	100
2015-16	254
2018-19	280
2022-23	331

Q3.(B)

(7)

Mr. Raja has earned the following incomes during the previous year ended on 31st March 2023. Compute the Gross total Income for the Assessment Year 2023-24 assuming that he is :

- Resident & Ordinarily Resident
- Non Resident

Dividend received from a Co-op. Bank in India	2,00,000
Rent from a house in Bulgaria received in Sharjah (UAE)	5,00,000
Interest from Bank Account in Guwahati	3,00,000
Income from Business in London, controlled from New York	8,00,000
Past untaxed profits earned in Dubai, brought to India	9,00,000
Technical Knowhow fees from Govt. of Gujrat received in Japan	2,50,000
Income from business in Nagaland, controlled from Delhi	4,50,000

Q.4 (A) Determine whether following statements are True or False

(8)

- Income deemed to accrue or arise in India is taxable in case of all the assesseees.
- The maximum exemption in case of leave encashment for a non-government employee shall be ₹ 3,00,000.
- Municipal tax is a deduction from net annual value.
- Reserve for bad debts can be deducted from profits of business.
- Capital gain arises from the transfer of any asset.
- Dividend from co-operative society is exempt from tax.
- Deduction u/s 80D is allowed only if the premium is paid to Life Insurance Corporation.
- Every person, being a partnership firm (including Limited Liability Partnership), has to file its return of income compulsorily, irrespective of its income being profit or loss.

Q.4 (B) Choose the correct alternative and rewrite the sentence: (7)

1. The maximum limit for Pension Plan u/s 80CCC is _____.
(a) ₹ 1,00,000 (b) ₹ 1,50,000
(c) ₹ 2,50,000 (d) ₹ 2,00,000
2. Rebate is available to an individual assessee whose income doesn't exceed _____.
(a) ₹ 5,00,000 (b) ₹ 10,00,000
(c) ₹ 2,50,000 (d) ₹ 20,00,000
3. The first due date for payment of Advance Tax for Assessee other than companies is _____.
(a) 15th June (b) 15th September
(c) 15th December (d) 15th March
4. Maximum amount of deduction for entertainment allowance is _____.
(a) ₹ 1,500 (b) ₹ 2,500
(c) ₹ 5,000 (d) ₹ 3,000
5. Gift received by an individual ₹ 70,000 from his relative shall be _____.
(a) Fully exempt (b) Fully taxable
(c) Exempt upto ₹ 50,000 (d) None of the above
6. To be a long-term capital asset, a residential house property should be held for more than _____.
(a) 12 months (b) 24 months
(c) 36 months (d) 60 months
7. Share of profit of partner in total income of firm is _____.
(a) Taxable (b) Exempt upto ₹ 1,50,000
(c) Fully Exempt (d) Exempt upto ₹ 3,00,000

OR

Q4. Write short notes: (Any three) (15)

- i. Cost inflation Index
- ii. Deductions under "Income from Other Sources"
- iii. Deductions under section 80D
- iv. Taxability of Gratuity
- v. Family Pension
