

13/11/2024
Lub

704

Time: 2½ Hours

Total Marks: 75

- N.B.: 1. All Questions are compulsory.
2. Figures the right indicates full marks
3. Use of simple calculators is allowed
4. Working notes should form part of your answer.

Q.1 State whether following statement is True or False. (Any 8)

1. Andheri Sports Club is an example of association of person. (08)
2. Mr. Raju earns Rs.2,00,000 as interest on PPF, is Taxed Income from other sources.
3. Professional tax of Rs.2500 payable by the employee but paid by the employer is an exempt perquisite.
4. Remuneration Received by Member of Parliament is taxable as income from other sources.
5. Gross Annual value less municipal tax paid means net annual value.
6. Mr. Anuj is physically handicapped person (85%) as certified by medical authorities; he can claim Rs.125000 as deduction U/s 80DD.
7. Vinayak received gift from his father which is taxable in his hands.
8. Net Annual value of self-occupied property is NIL.
9. The Maximum Amount for leave encashment is Rs.3,00,000.
10. The income earned Rs.10000 in USA by resident Indian is not taxable in India.

Q.1 (B) Match the Column. (Any 7)

Sr. No	Column A	Sr. No	Column B
1	Salary to partner by Firm	A	Perquisite
2	Capital expenditure on repairs of factory building	B	More than 36 months
3	Pre-acquisition interest on house property	C	Business Income
4	Reasonable letting Value	D	Deductible on pro rata basis
5	Short term Capital Asset	E	Not allowed as business income
6	Value of rent-free Accommodation	F	Rs.20,00,000
7	Discount on zero coupon bonds	G	Deductible in 5 equal instalments
8	Gratuity	H	Rs.5,00,000
9	Retrenchment compensation	I	Less than 36 months
10	Long term Capital Asset	J	Cannot be exceed standard rent

Q.2 Compute Mr. Sanket's Income from following Particulars assuming he is 1) R and OR 2) R and NOR 3) NR (15)

Sr.no	Particulars	Rs
1	Income from Agricultural in Maldives	1,20,000
2	Interest from Bank Account in Singapore	1,40,000
3	Dividend on shares of co-operative bank in India	1,60,000
4	Salary earned and received in Mauritius	1,80,000
5	Income from Business in Nepal controlled from India	2,00,000
6	Income received in Pakistan for services rendered in India	2,20,000
7	Interest from bonds issued by Indian companies	2,40,000
8	Past untaxed Profit earned outside India, brought to india	2,60,000

OR

Q.2 Mr. Parag Jog works with New City Light Engineers Pvt. Ltd as Sales Manager. He Gives you following information for the year ended 31st March 2024. Compute His Taxable income for the assessment Year 2024-25 (15)

Sr.no	Particulars	Rs
1	Basic Salary	4,80,000 p.a.
2	Dearness Allowance	1,20,000 p.a.
3	Advance Salary	1,00,000
4	Reimbursement of Medical Expenses	36,500
5	Commission on Sales	76,000 p.a.
6	Tour Allowance (Amount Spent on tour for official purposes Rs.38,000)	48,000 p.a.
7	Professional Tax Deducted at source	2,500 p.a.

Other Information

- He Received dividend of Rs.2000 from Tata Motors Ltd
- He Received Interest of Rs.20,000 as Interest on Debentures.
- He spent medical expenses of Rs.65,000 on medical treatment of his handicapped brother (45% disability)
- He Had Taken a loan from Bank of Baroda for higher education of his son who is pursuing an engineering degree with Pune University and Paid Interest of Rs.72,000.

Q.3 Miss Prachi Shinde Furnishes the following information of his Income and Investments for the previous year 2023-24. Compute his net taxable income for the assessment year 2024-25

a) Information regarding House Property.

(15)

Sr.no	Particulars	House 1 (LOP)	House 2 (SOP)
1	Fair Rent	90,000	60,000
2	Municipal Value	80,000	50,000
3	Rent Received	1,00,000	-
4	Municipal Taxes paid		
5	Owner	10,000	10,000
6	Tenant	5,000	-
7	Interest on Borrowed Capital for construction of House Property	20,000	20,000

b) Other Information

- He received Interest on debentures in Tata steel Rs. 20,000
- He received Dividend from UTI Rs.5,000
- He paid premium of rs.25,000 towards approved pension plan of LIC of India.

OR

Q.3 Mr. Abhishek Jain Acquired residential property on 1/5/1993 for Rs.2,50,000. Fair Market Value of that Property was Rs. 4,00,000 as on 1st April 2001. Calculate long term capital Gain for the assessment year 2024-25. Additional information is as follows (15)

- A. Cost of Improvement made by him
- In the year 1995-96 of Rs.50,000
 - In the Year 2007-08 Rs.1,50,000
 - In the year 2018-19 Rs. 5,00,000
- B. He sold the residential Property on 26th Feb 2024 for Rs. 3,00,00,000.
 C. He Acquired the new Property for Rs. 90,00,000 on 18th March 2024.
 D. He also Invested in REC Bonds Rs.45,00,000 on 1st March 2024.
 E. Expenses of Transfer Rs. 1,00,000.

Inflation Index

Financial Year	CII
2001-02	100
2007-08	129
2018-19	280
2023-24	348

Q.4 MR. Mayuresh provides the following information for the previous year ended 31st March 2024. You are required to compute his total income for the assessment year 2024-25 (15)

Expenses	Rs	Income	Rs
To Rent	30,000	By Gross Profit	7,75,000
To Salaries	1,60,000	By Interest on Bonds	50,000
To Motor Car expenses	25,000	By Dividend from Indian Companies	5,000
To Life Insurance Premium	60,000	By Winning from Lottery	5,000
To Income Tax	26,000	By Gift received from Father	5,000
To Printing and stationary	10,000		
To Conveyance	36,000		
To Depreciation	35,000		
To Donations	25,000		
To Net Profit	4,33,000		
Total	8,40,000	Total	8,40,000

Additional Information:

1. Salaries include Rs.40,000 given to his son who is working under as senior accountant.
2. Depreciation as per IT rule is Rs.38,000.
3. 40% of Rent paid towards his residential house.
4. He paid medical insurance premium for Rs.18,000.

OR

Q.4 MR. Umar provides the following information for the previous year ended 31st March 2024. You are required to compute his total income for the assessment year 2024-25. (15)

Expenses	Rs	Income	Rs
To Salaries	1,30,000	By Gross Profit	7,67,000
To Rent	30,000	By Interest on Bonds	5,000
To Printing and Stationary Expenses	25,000	By Gift received from Father	14,000
To Entertainment Expenses	18,000	By Winning from cross word puzzle	12,000
To Motor Car Expenses	60,000	By Interest on NSC	3,000
To Advertisement Expenses	50,000		
To Drawings	60,000		
To Embezzlement by an employee	7,000		
To Staff welfare expenses	70,000		
To Depreciation	35,000		
To Income Tax	16,000		
To Net Profit	3,00,000		
Total	8,01,000	Total	8,01,000

- Advertisement expenses include Rs.5,000 for advertisement in a souvenir of political party.
- Staff welfare expenses include Rs. 20,000 for his own medical treatment
- 50% of rent paid for his residential house.
- Depreciation as per income tax rule is Rs.38,000
- Interest paid on loan from IDBI for higher education loan for his daughter Rs.30,000

Q.5. A Explain Employer Employee relationship with example under the income from Salary (08)

Q.5 B. Explain conditions for resident and also for ordinary resident (07)

OR

Q.5 Short Notes (Any 3) (15)

- Explain short term capital assets of 12 months category.
- Interest on Borrowed capital
- Income from other sources
- Gratuity
- Association of person and body of individuals