

Time: 2 ½ Hours

Total Marks: 75

N.B. 1) Q.1 is compulsory.

2) Q. 2 to Q.5 are compulsory with internal choice.

3) Figures to the right indicate full marks.

4) Working note is the part of your answer.

5) Use of simple calculator is allowed.

Q1 (A): Choose the correct alternative and rewrite the sentence: (any 08) 08

1. Mr. Sumit received a gift of Rs. 60000 from his friend. The taxable amount of gift is

- a. Rs. 200000
- b. Rs. 100000
- c. Rs. 60000
- d. Nil

2. Advance Salary received by manager of Hindu Undivided family is \_\_\_\_\_

- a. Fully Exempt
- b. Fully Taxable
- c. Partly Exempt
- d. Partly Taxable

3. Winning from lottery under the head of Income from Business is \_\_\_\_\_

- a. Disallowable Expense
- b. Allowable Expense
- c. Disallowable Income
- d. Allowable Income

4. Entertainment allowance in case of Non-Government employee is

- a. Fully Exempt
- b. Partly Taxable
- c. Deductible up to certain limits mentioned in Sec 16
- d. Not allowed for deduction

5. Capital gain arises from the transfer of \_\_\_\_\_

- a. Any Assets
- b. Any Fixed Asset
- c. Any Capital Asset
- d. Any Investment

6. Maximum Qualifying deduction allowed u/s 80 C and u/s 80 CCC will be \_\_\_\_\_

- a. 100000
- b. 150000
- c. 200000
- d. 300000

7. Mumbai University is assessable under the Income Tax Act as \_\_\_\_
  - a. A Local Authority
  - b. A Company
  - c. An Artificial Juridical Person
  - d. A Cooperative Society
8. Mrs. Dineshwary earns saving bank interest of Rs. 15000 during the previous year 2023-24. He is entitled to a deduction under section 80 TTA of \_\_\_\_
  - a. Rs. 12000
  - b. Rs. 10000
  - c. Rs. 15000
  - d. NIL
9. Mr. Yam earned and received income in India Taxable in the case of \_\_\_\_
  - a. Resident and Ordinary Resident
  - b. Resident but not an Ordinary Resident
  - c. Non Resident
  - d. None of the above
10. Mr. Anirudha is a person with a physical disability of 90%. He is entitled to a deduction under section 80 U of \_\_\_\_
  - a. Rs. 75000
  - b. Rs. 50000
  - c. Rs. 125000
  - d. NIL

b) State whether the following statements are True or False:(any 07)

07

1. Assessment includes reassessments.
2. In case of Long term capital asset indexation is applicable.
3. Uncommuted pension is taxable in the hands of all individual assessee
4. All person will not be an assessee but all assessee will be a person.
5. An Individual will be a Non-Resident if he or she fulfils the first condition given u/s 6(1) i.e.182 days or more during the previous year.
6. Deduction for family pension is  $\frac{1}{3}$ <sup>rd</sup> or Rs. 15,000 whichever is lower
7. Municipal taxes paid by the owner is allowed as deduction from let out property.
8. It will be treated as a short term capital gain, if shares listed on recognised stock exchange are transferred after being held for more than 12 months.
9. Only government employees will be allowed to take deduction benefits of entertainment allowance.
10. Assessee will be eligible to take benefits of medical insurance premium payment u/s 80DD.



Q2: Mr. Honey was born brought up in Canada in the year 1995. He came to India for the first time on 11<sup>th</sup> May, 2019 and started doing his business in India. He went back to Canada on 15<sup>th</sup> August, 2023 for attending his sister's wedding.

He again came back to India in 10<sup>th</sup> December, 2023 and returned back to his country Canada forever, on 28<sup>th</sup> March, 2024.

Determine his Residential Status for the Assessment Year 2024-25.

or

Q2: From the following information of Mr. Jay for the PY 2023-24. Compute his gross total income for the Assessment Year 2024-25 if he is: 15

- a. Resident & Ordinary Resident
- b. Resident but not Ordinary Resident
- c. Non Resident

Sr. no	Particulars	Rs
1.	Income from business in Sri Lanka, controlled from India.	1,50,000
2.	Income earned and received in Canada	50,500
3.	Salary earned in New York in the past, but brought to India during the current previous year.	1,20,000
4.	Dividend from Foreign Company 50% received in Germany and balance received in India.	1,80,000
5.	Income from Agriculture in Nepal, 1/3 <sup>rd</sup> received in India.	90,000
6.	Royalty from a company in Singapore, received in Meghalaya	1,00,500
7.	Interest credited to HSBC bank, New York branch.	1,10,000
8.	Interest on UK Development Bond (Received in India)	3,50,000

Q3: Mr. Ramanand is a physically disabled person (50% disability). He is employed with Reliance Insurance Pvt Ltd. He gives you the following information for the year ended 31<sup>st</sup> March, 2024.

Particulars	Rs
Basic Salary	60,000 per month
Bonus	25,000 per month
Entertainment Allowance	8,000 per month
House Rent Allowance (Exempt u/s 10(13A) Rs. 60,000)	20,000 per month
Conveyance Allowance (Amount spent on official conveyance Rs. 20,000)	4,000 per month
Perquisites value of subsidized meal at workplace	24,000 per annum
Profession Tax deducted	2,500

**Other information:**

1. Interest received on government securities Rs. 25,000
  2. Dividend from HDFC Mutual fund Rs. 15,000
  3. Interest on saving bank account Rs. 20,000
  4. Gifts from friends on occasion of his 30<sup>th</sup> birthday Rs. 50,000
- Compute his taxable income for the assessment year 2024-25.

or

- Q.3 Mr. Nikhil is a physically disabled person (90% disability). He is employed with Ganesh printers. He gives you the following information for the year ended 31<sup>st</sup> March, 2024.

Particulars	Rs
Basic Salary	30,000 per month
Dearness Allowances	20,000 per month
Commission 10 % (Basic salary + DA)	?
Entertainment Allowance	62,500 per annum
Travelling Allowance (Exempt Rs. 12,000)	60,000 per annum
Conveyance allowance (Amount spent on official conveyance Rs. 46,000)	48,000 per annum
Profession Tax deducted	2,500

**Other information:**

1. Winning from lotteries Rs. 30,000
  2. Interest received on saving bank account Rs. 25000
  3. Interest accrued on Kisan Vikas Patra Rs. 5,000
- Compute his taxable income for the assessment year 2024-25.

- Q.4 Mr. Sagar acquired a residential house in January, 2023 for Rs. 12,00,000 and made some improvements by way of additional construction to the house, incurring expenditure of Rs. 2,50,000 in 3<sup>rd</sup> September, 2023. He sold the house property in October, 2023 for Rs. 95,00,000 and paid brokerage of Rs. 70,000. He acquired a residential house in January, 2024 for Rs. 21,00,000.

Compute the capital gain chargeable to tax for the AY 2024-25.

Cost Inflation Index	
2002-03	105
2004-05	113
2010-11	167
2023-24	348

or



Q.4 Mr. Rahim who is 30% physically disabled provides the following information for the previous year ended 31st March, 2024. You are required to compute his net taxable income for the Assessment Year 2024-25.

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**Profit & Loss account for the year ended 31-3-2024**

Expenses	Rs	Income	Rs
To Office Rent	60,000	By Gross profit	15,50,000
To Salaries	3,20,000	By Interest on bonds	60,000
To Advertisement Expenses	50,000	By Dividend from foreign Companies	70,000
To Motorcar Car Expenses	1,20,000		
To Income Tax	52,000		
To Printing & Stationery	20,000		
To Conveyance	72,000		
To Depreciation	70,000		
To Donations	50,000		
To Net Profit	8,66,000		
<b>Total</b>	<b>16,80,000</b>	<b>Total</b>	<b>16,80,000</b>

**Additional information**

1. Depreciation as per Income tax rules is Rs. 60,000.
2. Advertisement includes Rs. 25,000 as advertisement in the souvenir of political party.
3. Salaries include Rs. 20,000 which was withdrawn by Mr. Rahim for personal use.
4. He paid Medical Insurance premium for self Rs. 22,000 and spouse Rs. 8,000.
5.  $\frac{1}{4}$  th of Motor car expenses were for personal use.

Q.5 Answer the following

- a) Explain any eight disallowable items under the head of income from Business and Profession (8)
- b) Explain in brief any seven exempted income under the head of Income from Salary? (7)

Or

Q.5 Write Short notes on: (Any three)

(15)

1. Gross salary
2. Capital Assets
3. Commutable Pension
4. Family Pension
5. Deduction u/s 80 E