

10102022

VCD _____ SYBBI Sem III

Sub:Direct Tax

Time:2^{1/2}Hours

Marks:75

Q.1 A) Fill in the blanks (Any 8)

(8)

1. Export incentives received in the form of Duty Drawback by an Indian exporter is chargeable as income from _____
2. Cost inflation index is applicable for computing income from _____
3. If the business is commenced on 31st December 2021, the first previous year will end on _____
4. The legal status of Bar Council of India is _____
5. Gift received from friend is chargeable under the head income from _____
6. Income earned outside India by non resident Indian is fully _____ in India.
7. An individual is considered as resident in India if his stay in India during the previous year is at least _____ days.
8. An individual who does not satisfy both the basic conditions under section 6(1) of Income Tax Act, 1961 is considered to be _____ in India during the previous year.
9. The house property is considered as long term capital asset, if it is held for at least _____ months.
10. Monthly remuneration received by Member of Parliament is chargeable under the head income from _____

B) State whether True or False (Any 7)

(7)

1. An association of persons consist of individuals only.
2. Residential status depends only on citizenship.
3. Income earned in India is not taxed in the hands of Non Resident Assessee.
4. If the business is commenced on 1.9.2021, the first previous year will end on 31.8.22 for the Assessment year 2022-23.
5. Family pension received by a widow of a deceased employee is income from other sources.
6. Bonus of earlier year received during the current previous year is not an income from salary for that current year.
7. Advance against salary is not a part of Gross salary.
8. Gift received from mother is fully taxable.
9. Gratuity received by Govt. employee on retirement is fully taxable.
10. An association of persons consists of any person.

Q. 2 A Mr. Kennedy, a citizen of U. S. A, came to India, for the first time, on his appointment as a Manager of Thomas Cook & Co., on 1st April, 2017. On 1st February, 2018 he was transferred to Singapore for three years. He comes back to India on 2nd February, 2021 and joins his original M/s. Thomas Cook & Co. as a Manager and since then he is in India. Determine the residential status of Mr. Kennedy for the Assessment year 2022-23. Give explanation for your answer. (7)

B. Mr. Vishant, an Indian citizen, left India for employment in the USA on 28.9.2021.

- i) Is he resident during assessment year 2022 -23?
- ii) Is there any other condition under which it is possible to treat him as a resident? (8)

OR

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Q. 2 M has a residential property, details of which are given below:

(15)

Municipal valuation = Rs. 1,00,000

Fair Rent per month = Rs. 15,000

Standard Rent per month = Rs. 9,600

Municipal taxes paid @20 percentage of municipal valuation

Interest on loan for purchase of this house = Rs. 20,000

Rent receivable per month = 10,000.

The house property was vacated by the tenant on the last day of October, 2021. It could then be let out only from 1st of January, 2022 at Rs. 14,000 per month. Rent for March 2020 could not be realised (the conditions under the relevant income tax rules were satisfied). Compute his income from house property for the assessment year 2022 -23.

Q. 3 Mr. G receives the following emoluments during the previous year ending 31.3.22

Basic pay = Rs. 4,00,000

Dearness Allowance = Rs. 1,50,000

Commission = Rs. 1,00,000

Entertainment allowance = Rs. 40,000

Medical expenses reimbursed = Rs. 10,000

Professional tax paid = Rs. 3000 (Rs. 2000 was paid by his employer)

Mr. G contributes Rs. 50,000 towards recognised provident fund. He has no other income. Determine the income from salary for A. Y. 2022-23, if Mr. G is a State Government Employee.

(15)

OR

Q. 3 A Mr. Chintu Submits the following details in respect of income earned by him during the year ending 31st March, 2022. Compute his taxable income.

i) Dividend from foreign Companies = Net Rs.4, 800 (Income tax deducted at source @ 20 percent)

ii) Interest on 5th year National Savings Certificate VIII Series = Rs. 3,500

iii) Interest on debentures of TISCO = Rs. 8,000

iv) Interest paid on funds borrowed for investment in Debentures of TISCO Ltd. Rs. 9000

v) Rent from letting of plot of land = Rs. 7,000

vi) Interest earned on saving Bank A/c during the year = Rs. 8,500

(7)

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B Ms. Michelle Black, a resident Indian, is suffering from 60 percentage blindness. She submits the following particulars to you for the year ending 31.3.2022.

Salary (as computed vide IT Act) = Rs. 21,600

Income from Govt. securities = Rs. 9,000

Long tem Capital Gains = Rs. 1,000

Interest on bank fixed deposit = Rs. 29,000

Interest on loan for higher education = Rs. 12,000

Compute her taxable income for the assessment year 2022-23.

(8)

Q. 4 A Machinery of V shows written down value of Rs. 50,000 on 1.4.2021. New machinery is purchased for Rs. 3,00,000 on 1.11.2021. Old machinery was sold on 1.5.2021 for Rs. 40,000.

Calculate depreciation @ 20 percentage for previous year 2021-22.

(7)

B. M Ltd. Is an existing Indian Company, engaged in developing and providing computer software services which sets up a new unit. It incurs the following expenditure in connection with the new unit:

Preparation of Project Report = Rs. 4,00,000

Market survey = Rs. 5,00,000

Legal and other charges for issue of additional capital required for the new unit = Rs. 2,00,000

Engineering services by V Ltd. (not approved by CBDT u/s 35D) = Rs. 1,00,000

Total expenditure = Rs. 12,00,000

The following further data is given:

Cost of project = Rs. 30,00,000

Capital employed in the new unit = Rs. 40,00,00

What is the deduction admissible to the company under section 35 D?

(8)

OR

Q.4 Mr.Roshan is the proprietor of a business. Following was the profit and loss Account of his business for the year ended 31st March ,2022. You are required to compute his income from business for the Assessment year 2022-23.

(15)

Particulars	Rs	Particulars	Rs.
To Opening stock	2,34,000	By Sales	12,40,000
To Purchase	10,00,000	By Closing stock	2,05,000
To Office Salaries	57,000	By Income Tax refund	15,000
To Proprietors salaries	30,000	By Dividend from UTI	20,000

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To Bad debts	25,000	By Dividend from Bajaj Ltd.	25,000
To Advertisement	25,000	By interest on PPF	15,000
To Fire insurance premium	4,500		
To Conveyance Expenses	6,000		
To Interest on proprietors capital	25,000		
To Medical expenses	20,000		
To General expenses	35,000		
To Wealth tax paid	5,000		
To Residential telephone expenses	14,000		
To GST penalty	4,000		
To Depreciation	30,000		
To Net profit	<u>20,000</u>		
	15,20,000		15,20,000

Additional informations:

1. The residential telephone is used half the time for office work.
2. Purchase include Rs.80,000 paid for cash purchases, exceeding the limits prescribed under section 40A(3) of the Income Tax Act,1961.
3. General expenses include advance income tax of Rs.10,000 paid during the year and Rs.500 for purchase of Lottery tickets.
4. Depreciation allowable as per Income Tax Rules Rs.25,000.

Q. 5 a) List out any 5 deductions u/s 80

(8)

b) Define and explain capital asset and business

OR

Q.5 Write short note on (Any three)

(15)

- a) Residential status of individual
- b) Gross Annual value of hose property
- c) Entertainment allowance
- d) Long term Capital Gain
- e) Deduction u/s 80D.