

30/10/23

VCD/ SYFMG

SEM III

DIRECT TAX

2 ½ HRS

75 marks

Q.no.1.A) State whether the following statements are 'True' or 'False'. (Any 8) (08)

1. Ex-gratia received from the employer is not taxable. _____
2. Amount received from winning the lottery is income. _____
3. Transfer expenses are deducted from sale consideration. _____
4. There are a total of four heads of income. _____
5. Gift received from father is taxable. _____
6. Status of Indian citizens are always resident. _____
7. Section 80U is applicable to all individuals. _____
8. Royalty is taxable under the head income from other sources. _____
9. Previous year is always 12 months. _____
10. Wages and salaries are taxable under the head Income from salary. _____

Q.no.1.B. Match the following. (Any 7)

(07)

- | | |
|--|-------------------------------|
| 1 Capital Gain | a. Individual |
| 2. 1-4-2023 to 31-3-2023. | b. Artificial judicial person |
| 3. Land and building | c. Income |
| 4. Narayan murthy | d. Zero for one SOP |
| 5 Standard deduction on income from HP | e. Assessment year |
| 6 Manufacturers of salt from seawater | f. Capital asset. |
| 7. CII | g. Income from other source |
| 8. Karnataka University. | h. 30% of Net Asset value |
| 9. Dividend from foreign company | i. Non agriculture income. |
| 10. Net Annual Value. | J. Cost inflation index |

Q.no.2.A) Following is the Profit and Loss Account of Bombay Mart, owned by Mr. Pratish, for the year ended March 31, 2023.

(15)

Particulars	₹	Particulars	₹
To Salaries	18, 000	By Gross Profit	48, 000
To Printing and Stationery	2, 000	By GST refund	2, 000
To Conveyance	4, 500		
To Interest on loan	2, 500		
To Interest on capital	2, 500		
To Bad debts	1, 000		
To Donation for charity	5, 00		
To Net profit	19, 000		
	50, 000		50, 000

Following further information is provided :

- (1) Salaries include 6,000 paid to Mr. Pratish as his salary.
- (2) Personal expenditure of printing Mr. Pratish's Greeting cards 500 has been included in total printing & stationery expenditure. Compute the Business Income earned by Mr. Pratish during the previous year 2022-23

OR

Q.no.2.B) Following is the Profit and Loss Account of M/s. Vishal Traders, owned by Mr. Vishal, for the year ended March 31, 2023. (15)

Particulars	₹	Particulars	₹
To Salaries	15,400	By Gross Profit	76,000
To Stationery	6,00	By Income tax refund	4,000
To Provision for bad debts	3,000		
To Rent	9,000		
To Depreciation	12,000		
To Membership fees			
(a) Royal Health Club	1,500		
(b) Indian Merchants Association	1,000		
To Provision for tax	12,500		
To Net profit	25,000		
	80,000		80,000

Rent has been paid to Mrs. Vishal. Reasonable rent for the same premises at market rate would be ₹6,000. Depreciation as per Income tax Rules is ₹10,800
Compute the taxable business income of Mr. Vishal for the assessment year 2023-24.

Q.no.3.A) Mr. G receives the following emoluments during the previous year ending 31-3-2023: (15)

Basic Pay	₹4,00,000
Dearness Allowance	₹1,50,000
Commission	₹1,00,000
Entertainment Allowance	₹40,000
Medical Expenses Reimbursed	₹10,000
Professional Tax paid	₹3,000 (2,000 was paid by his employer)

Mr. G contributes 50,000 towards a recognised provident fund. He has no other income. Determine the income from salary for A.Y. 2023-24, if Mr. G is a State Government Employee.

OR

Q.no.3.B) Mr. Raman owns two houses constructed in March 2010; one, whose municipal valuation is 2,50,000 is occupied by him for his own residence and the other, whose municipal valuation is 2,70,000 is let out of 27,500 per month. The expenses in respect of both the houses are:

(15)

Particulars	House I (S.O.P)	House II (let-out)
Municipal Taxes	30,000	35,000
Land Revenue	15,000	20,000
Interest on loan for construction of the houses	35,000	42,500
Fire Insurance Premium	20,000	20,000
Rent Collection Charges	-	20,000
Interest on Mortgage (Loan taken for daughter's marriage)	-	75000

Compute his income from house property for the assessment year 2023-24

Q.no.4.A) Dr. Ram Bharose is employed with Bhagwan Hospital as a full time Doctor. Following are details of his income for the year ended 31st March 2023 (15)

- (1) Basic salary 12,000 per month.
- (2) D.A. @ 30% of Basic.
- (3) H.R.A. 10,000 [Exempt u/s 10(13A) 4,500].
- (4) He is provided a conveyance facility for journey from his residence to hospital and back costing the hospital 10,000.
- (5) Entertainment allowance 500 p.m.
- (6) Arrears of salary 6,000.
- (7) Professional Tax deducted by the hospital 2,400.
- (8) Best Doctor Award given to him by Bhagwan Hospital 2,500.
- (9) He was selected the best surgeon by the state government and was awarded "The Dhanvantari" award instituted in Public Interest 10,000.
- (10) He received honorarium for presenting papers in various seminars for ₹ 3,000.
- (11) He was owning surgical equipment which was given on hire to Dr. Laxman Prasad. Hire charges received by him were 30,000. The expenses on maintenance amounted to 2,500 and allowable depreciation 4,500.
- (12) He paid 16,000 in cash to LIC for the pension fund.
- (13) He paid by cheque for medical insurance as follows:

(a) For Self	12,670
(b) For Wife	12,670
(c) Dependent Children	12,670
(d) Independent Parents	12, 670

50,680

Compute his Net Taxable Income for the A.Y. 2023-24.

OR

Q.no.4.B) Mr. Tom, a British citizen had the following income during the year ended on 31st March, 2023 (08)

1. Income from house property in India	15000
2. Income from property in Rome	10000
3. Interest from bank account in India	1200
4. Income from business in Bangladesh, being controlled from India	16000
5. Interest on bank account in U.S.A.	11000
6. Salary earned and received in Tokyo	12000
7. Income earned and received in London	13000
8. Dividend from British Company received in India	17000

Compute his Total Income for the assessment year 2023-24 if he is:

(i) A Resident (ii) A Resident but not ordinary Resident (ii) A' Non-Resident.

(07)

Q.no.4.C) Mr. Gavaskar purchased a residential house on 01-06-1999 for 2,00,000. He incurred expenses of 1,50,000 towards cost of improvement on 02-07-2003. The fair market value of the house on 01-04-2001 was 5,50,000. He sold the house on 10-10-2022 for 30 lakhs. The cost inflation index for F. Y. 2001-02 is 100, for F.Y. 2003-04 is 109 and for F. Y. 2022-23 is 331 You are required to compute his Capital Gain for Assessment year 2023-24.

Q.no.5.A)

1. Give list of allowance under the head Income from Salaries. (08)
2. What kind of income are generally included in income (07)

OR

Q.no.5.B) Write short notes : (Any 3) (15)

1. Person
2. Perquisites
3. Residential Status
4. Gratuity
5. Income from let out property