

C.1 (a) Multiple Choice Questions (any eight):

(8)

- Standard deduction u/s 24(a) of Income from House Property is ____
(a) 1/3rd of Net Annual Value (b) Rs. 30,000 (c) 30% of Net Annual Value
- Very senior citizen means attaining ____ years any time during the previous year.
(a) 75 (b) 85 (c) 80
- Residential status is to be determined for ____
(a) previous year (b) assessment year (c) accounting year
- Deduction u/s 80DD shall be allowed upto ____
(a) Rs. 75,000 (b) Rs. 1,25,000 (c) actual expenditure
- For non-government employee governed by the Payment of Gratuity Act, 1972, the maximum monetary limit for exemption is ____
(a) Rs. 5,00,000 (b) Rs. 20,00,000 (c) Rs. 10,00,000
- Agricultural income from land in Nepal is ____ for an ordinary resident individual.
(a) Taxable (b) Tax Free (c) Partly Taxable
- The quantum of deduction allowed under section 80D for self and spouse shall be limited to ____
(a) Rs. 25,000 (b) Rs. 10,000 (c) Rs. 15,000
- Gift received by an individual Rs. 70,000 from his relative shall be
(a) Fully exempt (b) Fully taxable (c) Exempt upto Rs. 50,000
- Municipal tax is deducted from ____
(a) Net Annual Value (b) Gross Annual Value (c) Municipal Valuation
- In which year is the income tax liability computed?
(a) previous year (b) assessment year (c) accounting year

Q.1 (b) State whether the following statements are True or False (any seven):

(7)

- Income means any receipt in cash.
 - Unrealised rent is deducted from Net Annual Value.
 - Maximum limit of deduction under section 80C and 80CCC is Rs. 2,00,000.
 - Municipal tax paid by owner only is allowed as deduction u/s 24.
 - All pensions are exempt from tax.
 - Dividend from a foreign company shall be taxed in the hands of the shareholders.
 - Export incentives received by an assessee are exempt.
 - Interest credited to statutory provident fund shall be fully taxable.
 - Foreign income of an ordinary resident is wholly taxable.
 - Gift received by a lawyer from his client is income as per Income Tax Act.
- Q.2: Mr. Ojas Kothare is a physically disabled person (90% disability). He is employed with Mumbai Printers. He gives you the following information for the year ended on 31st March, 2022.

(15)

Particulars	Amount
Basic Salary (per annum)	6,00,000
Bonus (per annum)	2,50,000
Entertainment Allowance (per annum)	48,000
House rent allowance (per annum) (Exempt Rs. 17,900)	1,20,000
Conveyance Allowance (per annum) (Amount spent Rs. 21,600)	24,000
Perquisite value of subsidised meal at workplace (per annum)	24,000
Profession Tax Deducted	2,500
Particulars of Owned House (Let out):	
Municipal Valuation (per month)	75,000

Rent received (per month)	60,000
Municipal taxes paid during the year	
a) For previous year 2021-22	24,000
b) For previous year 2020-21	12,000
Interest paid on Borrowed capital for construction of house	1,70,000

Other Information:

He completed his graduation in engineering in 2018.

For this he had taken an educational loan from Corporation Bank in 2013. During the year he paid Rs. 80,000 as interest on this loan

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

OR

Q.2: Mr. Suneet is the owner of a house property. One-third of the house is used for business and the remaining is let-out at the rate of Rs. 3,000 per month. The property was vacant for 4 months. Following additional information is available to you. (15)

Particulars	Rs
1) Municipal Taxes paid	1,500
2) Interest on funds borrowed for repairs	6,000
3) Repairs (borne by tenant)	2,000
4) Municipal rateable value	48,000

Mr. Suneet receives during the year unrealized rent of the previous year i.e. 2017-18 Rs. 1,000. You are required to ascertain the income chargeable to tax under the head 'Income from House Property' of Mr. Suneet for the assessment year 2022-23.

Q.3: From the following Profit and Loss Account of Mr. X for the year ended 31st March, 2022 compute his business income: (15)

Particulars	Rs.	Particulars	Rs.
To Office salaries	15,000	By Gross Profits	1,30,000
To General Expenses	8,500	By Interest on Bank deposits	4,100
To Interest on Capital of X	3,000	By Interest on Company Deposits	7,600
To Bad Debts reserve	5,000	By Refund of Income-tax for A.Y. 2018-19	1,000
To Depreciation	15,000		
To Advertisement	9,000		
To Fire Insurance premium	1,200		
To Donation	5,000		
To Advance Income Tax	4,000		
To GST paid	5,000		
To Income-tax for 2020-21	3,000		
To Net Profit	69,000		
	1,42,700		1,42,700

Following additional information is given:

1. Allowable depreciation was Rs. 10,000.
2. General expenses include furniture purchased worth Rs. 2,500.

3. Office salaries include salaries paid to Mrs. X Rs. 3,000. Mrs X, B.Com. writes the accounts of the business.
4. Advertisement includes Rs. 2,500 for the advertisement in souvenir of a political party.

OR

Q.3.(a): From the following information of Mr. Vijay for the previous year 2021-22, compute the Gross Total Income for the assessment year 2022-23 if he is (8)

- a) Resident and Ordinary Resident
- b) Resident but not Ordinary Resident
- c) Non-Resident

Particulars	Rs.
Income from business in Dubai, controlled from London	50,000
Rent from house in UK received in Spain	60,000
Income earned in New Zealand in the past, but brought to India during the current previous year	70,000
Dividend from German Company, received in London	80,000
Income from agriculture in Japan received in India	90,000
Royalty from a company in Indonesia, received in Russia	1,00,000
Interest credited to HSBC Bank, New York Branch	1,10,000
Income from Profession in Bhutan, received in Bhutan (Profession was set up in India)	1,20,000

Q.3(b) Mr. Parag purchased a residential flat on 02-05-2020 for Rs. 10,00,000. He paid on the same day the stamp duty and registration charges of Rs. 48,750 on purchase of flat. He sold the said flat on 17-03-2022 for Rs. 12,00,000. The cost inflation index for F.Y. 2013-14 is 220 and for F.Y. 2021-22 is 317. Compute his Capital Gain Chargeable to tax for assessment year 2022-23. (7)

Q.4 Shri Ram Narain owns a residential house which he purchased on 25-06-1998 for Rs. 1,50,000. He incurred expenses of Rs. 1,50,000 towards Cost of Improvement on 20-08-2003 on this residential house.

The fair market value of the house on 1-04-2001 was Rs. 8,00,000. He sold the house on 12-12-2021 for Rs. 95,00,000. He purchased a new residential house for Rs. 25,00,000 on 20-03-2022.

Cost Inflation Index: F.Y. 2001-02 is 100; F.Y. 2003-04 is 109; F.Y. 2021-22 is 317. (15)

OR

Q.4: From the following information, compute the income under- "Income from other sources", of Mr. Dilip. (15)

Income from agricultural land in India- Rs. 12,000.

Income from agricultural land in Nepal- Rs. 10,000.

Mr. Dilip is a tenant of Mr. Sunil in respect of a bungalow in Goa. Mr. Dilip has in turn rented the Bungalow to Kapil for a rent of Rs. 1,000 per month. Dilip pays rent of Rs. 500 per month to Mr. Sunil.

Interest earned: (a) Interest on deposits with banks- Rs. 500. (b) Interest on public provident fund- Rs. 1,000. (c) Interest on Government Securities (net- Rs. 12,000; Tax Deducted at Source Rs. 1,200)

Lottery Prize- (Net Rs. 50,000; Tax Deducted at source Rs. 20,000). He had purchased lottery tickets worth Rs. 3,000.

He received a refund from the Income tax department pertaining to the assessment year 2010-11, amounting to Excess Income-tax Rs. 2,000 and Interest Rs. 2,500.

Q.5.(a) Enumerate any eight expenses not allowed as deduction under head "Income from Business or Profession". (8)

(b) What are the capital assets u/s 2(14) of Income Tax Act. Explain in details. (7)

OR

Q.5. Write a short note on (any three): (15)

- a. Deduction under section 80C.
- b. Agricultural Income
- c. Perquisites
- d. Residential status of an Individual
- e. Exemption u/s 10(10AA) for leave salary

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