

VCD: 31/10/23

SYBAF

SEM III

Direct Tax

75 marks

2 ½ Hours

Q.1.A) State whether True or False (Any 8)

(08)

1. An association of person consists of all 7 persons.
2. Gross annual value for self-occupied property is Nil.
3. Municipal taxes are deductible on payment basis.
4. Assessment includes reassessment.
5. Transfer includes compulsory acquisition under Income tax Act.
6. Maximum deduction under section 80C and 80CCC is ₹ 2,00,000.
7. Personal effects includes jewellery.
8. Amount spent on entertainment can be claimed as deduction under section 16(ii) by all assessee.
9. Income means any receipt in cash.
10. Residential status is determined for assessment year.

Q.1.B) Multiple choice questions: - (Any 7)

(07)

1. In which year is the income tax liability computed.
a) Assessment year b) Previous year c) Financial year d) Calendar year
2. Total income of a person is determined on the basis of his:
a) residential status in India b) Citizenship in India c) None of these
d) Both a & b
3. Unrealised rent is a deduction from _____.
a) Net Annual Value b) Gross annual value c) Municipal value
d) None of the above
4. Deduction u/s 80DD shall be allowed up to _____.
a) ₹ 75,000 b) ₹ 1,25,000 c) ₹ 1,00,000 d) Actual expenditure.
5. Standard deduction u/s 24(a) of Income from House property is _____.
a) 50% of Net Annual value b) ₹ 30,000 c) ₹ 50,000
d) 30% of Net Annual Value
6. Very senior citizen u/s 80D means attaining _____ years any time during the previous year.
a) 75 b) 85 c) 80 d) 90
7. The payment of insurance premium under section 80 D should be _____.
a) in cash b) By any mode other than cash c) cash / cheque d) None of these
8. To be a long-term capital asset, a residential house property should be held for more than _____.
a) 12 months b) 24 months c) 36 months d) 60 months
9. Salary received by a college lecturer from University for setting question papers.
a) Salary b) Income from other sources c) Income from Business
d) Exempt Income
10. The cost of inflation index number of the previous year 2022-2023 is
(a) 213 (b) 100 (c) 317 (d) 331

Q.2.A) Mr. Raj provides following particulars of his income for the previous year ended 31st March, 2023. You are required to compute income from house property for the assessment year 2023-24.

(15)

VCD: _____

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2 ½ Hours

Particulars	House A	House B
	(Self-occupied)	(let out)
	₹	₹
1. Municipal Valuation (per month)	30,000	40,000
2. Rent Received (per month)	Nil	50,000
3. House B was vacant for 2 months	-	-
4. Municipal Tax		
Paid by Tenant	Nil	15,000
Paid by Owner	10,000	30,000
5. Interest on Borrowed Capital		
Paid during the year	20,000	60,000
Outstanding on 31-3-23	5,000	60,000
6. Maintenance Charges	12,000	18,000

OR

Q.2.B) Mr. Romil gives you the following information regarding house property owned by him, for previous year 2022-23. (15)

Particulars	House I	House II
	(Self-occupied)	(let out)
	₹	₹
1. Municipal Valuation (per month)	15,000	10,000
2. Fair/ Actual Rent (per month)	10,000	8,000
3. Municipal taxes paid	12,000	10,000
4. Municipal Taxes outstanding	6,000	Nil
5. Repairs	12,000	8,000
6. Interest on borrowed capital (loan taken on 1/4/2017)	40,000	28,000

You are required to compute income from house property for the assessment year 2023-24.

Q.3.A) Mr. Ankush works with the Government of Maharashtra. He gives you following information for the year ended 31st March 2023. (15)

Particulars	₹
Basic Salary (Gross)	3,00,000 p.a.
Dearness Allowance	1,45,500 p.a.
House Rent Allowance (Exempt u/s 10 ₹ 30,000)	60,000 p.a.
Entertainment Allowance (Amount spend on entertainment ₹ 12,000)	12,000 p.a.
Conveyance Allowance (Amount spend on conveyance for official purposes ₹ 28,000)	48,000 p.a.
Arrears of Salary (Not taxed earlier)	2,00,000
Profession Tax deducted from Salary	2500 p.a.

You are required to compute the 'Income from Salaries' for the Assessment Year 2023-24.

OR

Q.3.B) Mr. Shyam has earned the following incomes during the financial year ended on 31st March, 2023. Compute his Gross Total Income for the Assessment Year 2023-24 assuming that he is: (08)

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

1. Rent from a property in Delhi received in USA ₹ 80,000.
2. Income from a business in USA, controlled from Delhi ₹ 90,000
3. Income from a business in Mumbai, controlled from USA ₹ 1,00,000
4. Rent from a property in USA received there but later remitted to India ₹ 1,10,000
5. Interest from deposits with Indian Bank in Mumbai ₹ 1,20,000.
6. Income received in USA for services rendered in India ₹ 1,30,000
7. Income from agriculture in Sri Lanka ₹ 1,40,000.
8. Past untaxed profit earned outside India, brought to India ₹ 1,50,000

Q.3.C) Mr. Rudra an Indian citizen, left India for the first time on 22-9-2022 for employment in U.K. and did not return to India till 31st March, 2023. Determine his residential status for the assessment year 2023-24. (07)

Q.4.A) Mr. Mohit, proprietor of S & Co. furnishes you the following information for the year ended 31st March, 2023. (15)

Profit and Loss account for the year ended 31st March. 2023

Debit	₹	Credit	₹
To Salaries	2,20,000	By Gross profit	6,29,000
To Rent	60,000	By Interest accrued on NSC	6,000
To Printing expenses	15,000	By Gift from father	51,000
To Advertisement expenses	5,000	By Income from Mutual fund	12,000
To Motor car expenses	80,000	By Winnings from lottery	1,00,000
To Embezzlement by employee	11,000		
To Staff welfare expenses	30,000		
To Purchase of N.S.C	50,000		
To Depreciation	25,000		
To Net Profit	2,90,000		
Total	7,98,000	Total	7,98,000

Additional Information:

- a) Depreciation as per Income tax rules ₹ 28,000.
- b) Staff welfare expenses include ₹ 10,000 for medical treatment of an employee.
- c) Rent is paid for his residential house.
- d) Advertisement expenses are incurred for an advertisement in the souvenir of a political party.

You are required to compute his total taxable income for the assessment year 2023-24.

OR

Q.4.B) Mr. Kamlesh purchased a house property for ₹ 1,00,000 on 27 August, 1998. He made the following additions/ alterations to the house property. (15)

1. Cost of construction of 1st floor in Financial Year 2003-04 ₹13,00,000/-.
2. Cost of construction of 2nd floor in Financial Year 2010-11 ₹ 14,00,000/-.
3. Fair Market Value of the property on 01-04-2001 was ₹ 15,00,000/-.
4. He sold the property on 20th October, 2022 for ₹ 1,95,00,000/-.
5. He paid the brokerage of ₹ 55,000/- for the sale transaction.
6. He purchased a new residential house for ₹ 25,00,000/- on 20-03-2023.
7. The Cost Inflation Index for Financial year 2001-02 is 100, for Financial Year 2003-04 is 109, for financial year 2010-11 is 167 and for financial year 2022-23 is 331.

Compute the Capital gain of Mr. Kamlesh chargeable to tax for the Assessment Year 2023-24.

Q.5.A) Define perquisites and give a few instances of perquisites taxable and exempt under the Income tax Act. (08)

Q.5.B) Discuss any eight items of income taxable under the head Income from Other Sources. (07)

OR

Q.5) Write short notes on: (Any three) (15)

- a) Deductions under section 80D
- b) Conditions u/s 6 for ordinary resident.
- c) Agriculture Income
- d) Pension
- e) Deemed to be let out property.