

Marks 75

Duration 2.30 Hours

N.B.

- (1) All questions are compulsory. Each question carries 15, With Internal Options 8 & 7 Marks
 (2) Figures to the right indicate full marks allotted to the question.
 (3) Working notes wherever necessary should form part of your answer.

Q1.(a) State whether the following statements are True or False as per the provisions of Income Tax Act, 1961 for assessment year 2023-24 (Any Eight) CO1-4 (R&U) 8M

1. Residential status does not depend upon citizenship.
2. Dividend received from Dena Bank is fully taxable.
3. Life insurance premium paid by employer on behalf of an employee is a taxable perquisite.
4. Maximum Deduction for interest on saving bank u/s 80TTA is limited to ₹ 10,000/-.
5. An Indian Company is always resident in India.
6. Entertainment Allowance received by a non-government employee is always taxable.
7. Advance Salary received by an employee from the employer is a part of Gross Salary.
8. Mediclaim Premium paid by Cheque ₹25000 is allowed as deduction u/s 80D
9. Deduction u/s 80 C in respect of payment of life insurance premium, PPF etc. is also allowed to Individual and HUF
10. Maximum Limit of section 80 CCC is 1,50,000

Q.1 [b] Match the Pairs: (Any Seven)

CO1-4 (R&U) 7M

Sr.no.	Group 'A'	Sr.no.	Group 'B'
1.	Mumbai Municipal Corporation	a.	Short Term Capital gain / Loss
2.	Municipal Tax	b.	Maximum Deduction ₹ 1,50,000
3.	Mr. Govind	c.	Non Taxable Perquisites
4.	Provision for Bad debts	d.	Standard Deduction of 30%.
5.	Foreign Income	e.	Not allowed as deduction
6.	Expenses for Purchase of Lottery	f.	Not Taxable for Non-Resident
7.	Unrealized Rent Received	g.	Not allowed as Business deduction
8.	Expenses on Training of Employees	h.	Individual
9.	Section 80 C	i.	Must be paid by owner
10.	House Property Sold Less than 24 Months	j.	Local Authority

Q2 Mr. Milind, Proprietor of M & Co. furnishes you the following information for the year ended 31-03-2023

CO4 (R, AP, U) 15M

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 N.S.C.	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	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:

- Depreciation as per Income Tax Rules 28,000.
- Rent is paid for his residential house.
- 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

Q2.Mr. Mane is partially blind (85% disability). He furnishes the following information.

Profit and loss Account for the year ended 31.3.2023

CO4 (U,R,AP) 15M

Expenses	₹	Income	₹
To Office expense	60,000	By Gross Profit b/d	11,48,000
To Advertisement	15,000	By Dividend from Saraswat Co. op. Bank	8000
To Drawings	50,000		
To Electricity Charges	25,000	By Saving Bank Interest	15,000
To Interest on business loan from Bank of India	30,000	By Prize money received for participating in TV game	20,000
To Depreciation	28,000		
To Miscellaneous Expenses	10,000		
To Advance income tax	23,000		
To Net profit C/d	9,50,000		
Total	11,91,000	Total	11,91,000

Other Information

- Depreciation allowed as per Income Tax Rules is ₹ 30,000
- Office expenses include office repairs of ₹ 21,000 paid in cash on 14.10.2021
- Interest due on, business loan from Bank of India is not paid before the due date of filing the income tax return.

You are required to compute the total income of Mr. Mane for the Assessment Year 2023-24

Q3.Mr. Pankaj a Severely Physically disabled (85%) is employed with Sharma industries. He furnishes you the following information for the year ended 31st March, 2023.

Basic salary – ₹. 30000 P.M.

CO4 (U,R,AP) 15M

Dearness allowance at 20% of basic salary

Profession Tax Deducted at ₹. 200 P.M.

Bonus ₹. 30000

House Rent Allowance ₹. 800 P.M. (fully taxable)

Perquisite Value of Gas, Water, and Electricity – ₹. 2500

Arrears of salary received as per revised pay scale, Net arrears – ₹. 50000, Tax deducted at source on arrears of salary – ₹. 15000

Compute his taxable Income for the Assessment Year 2023-24.

OR

Q3.Mrs. Alka Avhad is a physically disabled person (85% disability). She gives you the following information for Previous Year 2022-23.

CO4 (U,R,AP) 15M

Particulars of Owned Houses	House No. 1 (Self-Occupied)	House No. 2 (Let Out)
Municipal Valuation (per month)	20,000	30,000
Rent Received (per month)	Nil	32,000
(House No. 2 was vacant for two		
Municipal Taxes;		
Paid by Owner	26,000	Nil
Paid by Tenant	Nil	30,000
Other Expenses		
For Repairs	12,500	Nil
Details of Borrowed Capital :		
(Both loans taken after 1-4-2017)		
Interest paid during the year	1,60,000	1,44,000
Principal repaid	20,000	36,000

Other Information:

She received ₹ 48,000 as family pension during the year. She received bank fixed deposit interest of ₹ 2,27,000 during the year.

Compute the Taxable Income for *the* Assessment Year 2023-24.

Q4. Mr. Karnik sold on 10.06.2022 his residential house in Nashik for ₹ 75,00,000. It was purchased on 07.07.2003 for 7,00,000. Expenses on transfer amounted to ₹ 1,20,000.

Mr. Karnik incurred expenses on improvement on old house in financial year 2005-06 of ₹ 1,40,000. He invested ₹ 25,00,000 for purchase of new residential house On 31.10.2022. You are required to compute Net Capital Gain for the assessment year 20223-24. Relevant Cost Inflation Indices are as under.

Financial Year	Cost Inflation Index	CO3 (U,R,AP) 15M
2003-04.	109	
2005-06	117	
2021-22	317	
2022-23	331	

OR

Q4.a) From the following income of Mr. Suresh for the previous year 2022-23,

CO1 (U,R,AP) 8M

Sr	Income	Amount ₹
1	Profits from business in Dubai managed from India	10,000
2	Royalty from Indian Company received in UK	20,000
3	Rent from house in UK received in Spain	30,000
4	Dividend from British Company received in Mumbai	40,000
5	Interest credited to Bank of India, Delhi Branch	50,900
6	Income earned in Brazil in the past but brought to India during the year	60,000
7	Income accrued in Newyork and received in London	70,000
8	Income from agriculture in Srilanka received in India	80,000

Compute gross total income for the assessment year 2023-24 if he is

- Resident & Ordinarily resident
- Resident but not ordinarily resident
- Non resident

Q4.b) Ms Varsha, an **Indian Citizen** went to U.S.A. for the first time for the purpose of employment on, 10th May, 2022. She came back to India on 19th November, 2022.

Find out her residential status for Previous Year 2022-23.

CO1 (U,R,AP) 7M

Q5.a) Write any eight items of Income from other sources

CO3 (U,R) 8M

(b) Explain Deductions U/s 80C, with Some Suitable Examples

CO4 (U,R) 7M

OR

Q5. Write short notes on (any three)

15M

- 1) Family Pension
- 2) Depreciation
- 3) Entertainment Allowance
- 4) Advance Salary and Advance against salary
- 5) Define Person

CO3 (U,R)

CO2 (U,R)

CO2 (U,R)

CO2 (U,R)

CO1 (U,R)