

Time : 2 & ½ Hours

C317100T-II

Max Marks : 75

**NB: a) Figure in Right Indicates Full Marks.**

**b) All Questions carry equal Marks.**

**c) All questions have an internal Choice.**

**Q1(a) Choose the correct alternative and fill in the blanks (Any 8) (8)**

1. Cost inflation index is applicable when there is \_\_\_\_\_  
(i) Long Term Capital Gain (ii) Short Term Capital Gain  
(iii) Business income (iv) Salary income
2. Dividend received from Credit Co- operative Society is \_\_\_\_\_  
(i) Fully exempt u/s 10 (ii) Partly taxable  
(iii) Fully taxable (iv) Fully exempt u/s 21
3. Mr. Nikhil received a gift of Rs. 52,000 from his friend. The taxable amount of gift is \_\_\_\_\_  
(i) Rs. 2,000 (ii) Rs. 52,000 (iii) Rs. 50,000 (iv) NIL
4. Total income of a person is determined on the basis of his \_\_\_\_\_  
(i) Citizenship (ii) Residential status (iii) Marital status (iv) Financial status
5. Uncommuted pension received by a Government employee is \_\_\_\_\_  
(i) Exempt (ii) Taxable (iii) Partly Exempt (iv) Partly Taxable
6. A new business was set up on 1-10-2021. It's first previous year will end on \_\_\_\_\_  
(i) 31-3-2022 (ii) 30-9-2022 (iii) 31-12-2021 (iv) 31-10-2021
7. Capital gain arises out of transfer of \_\_\_\_\_  
(i) Capital asset (ii) Any Asset (iii) Any Liability (iv) Short Term Assets
8. Family Pension received is \_\_\_\_\_  
(i) Income from Salary (ii) Income from business  
(iii) Income from other sources (iv) Capital gain
9. Gratuity received during service is \_\_\_\_\_  
(i) Fully Taxable (ii) Partly Taxable (iii) Partly Exempt (iv) Fully Exempt
10. A club is treated under income tax laws as \_\_\_\_\_  
(i) Company (ii) association of person  
(iii) body of individuals (iv) an artificial judicial person)

**Q1b) State whether the following sentences are True or False: (Any 7) (7)**

1. Maximum deduction under Section 80C and 80CCC is Rs. 2,00,000.
2. Municipal taxes paid by owner only are allowed as deduction under section 24.
3. Annual Value of Self Occupied property if NIL.
4. Jewelry is considered as Capital Assets.
5. Entertainment Allowance is allowed to only Government Employees
6. Assessment includes Reassessment.

7. Other than SOP is considered as Deemed Let out Property.
8. Residential status is defined under section 16.
9. Pune University is Artificial Judicial person.
10. An Indian company is always treated as Resident in India.

Q2) Mrs. Veena age 55, regional manager Asia Ltd. has furnished the following details with regard to her income for the year ended March 31, 2022. (15)

- a) 1) Salary @ 25,000 p.m.                      2) Bonus Rs. 10,000    3) Travelling allowance for tour fully spent Rs. 500                      4) Entertainment Allowance Rs. 3,000                      5) Medical bills reimbursed by the employer Rs. 7,000
- b) 1) Interest on Government securities Rs. 2,000
- 2) Interest on Post office Monthly Income Deposit Rs. 500 During the previous year.
- 3) Interest on bank fixed deposits Rs. 500 during the previous year.
- c) 1) She paid Rs. 25,000 for mediclaim insurance premium for her father, who is a senior citizen.
- 2) She incurred Rs. 10,000 for treatment of her severely handicapped daughter.

**Calculate Mrs. Veena's total income for the Assessment year 2022-23.**

**OR**

Q2) Ms. Netra who is totally blind, has let out her house property situated at Navi Mumbai for Residential purpose. The details of the said property for the year ended 31<sup>st</sup> March 2022 are as follows: (15)

- 1) Rent received Rs. 1,20,000    2) Municipal Valuation                      3) Fair Rent Rs. 1,50,000
- 4) Municipal Taxes paid by tenant Rs. 10,000                      5) Interest on loan taken from ICICI bank for construction of house property Rs. 35,000. Loan was taken in April 2011.

Following are the details of other income earned by her during the year:

- 1) Interest accrued on NSC Rs. 20,000
- 2) Interest accrued on Public Provident Fund Account Rs. 5,000.
- 3) Dividend from M/s Raymond Ltd. Rs. 10,000
- 4) Interest Accrued on private loans to friends and relatives Rs. 60,000

**Compute the Net Taxable Income of Ms. Netra for the Financial Year 2021-22.**

Q3) Mr. Milind, Proprietor of M & Co. furnishes the following information for the year ended 31-03-2022.

**Profit and Loss Account for the year ended 31<sup>st</sup> March 2022** (15)

Particulars	Amount	Particulars	Amount
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 winning from Mutual Fund	12,000
To Motor Car Expenses	80,000	By Winning 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		
	<u>7,98,000</u>		<u>7,98,000</u>

Additional Information:

- Depreciation as per income Tax Rules Rs. 28,000.
- Staff Welfare expenses include Rs. 10,000 for medical treatment of an employee.
- 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 2022-23.**

**OR**

**Q3) Mr. Sahu is physically handicapped (85% disability). He furnishes the following information for the year ended 31-03-2022.**

**(15)**

**Profit and Loss Account for the year ended 31-03-2022**

Particulars	Amount	Particulars	Amount
To Postage and Telegram	24,000	By Gross Profit b/d	12,74,000
To Salaries	2,00,000	By Saving Bank interest	12,000
To Gift to son	12,000	By Interest on Government Securities	20,000
To Advertisement	15,000	By Dividend from Indian Company	25,000
To wealth tax paid	17,000	By Income Tax Refund	8,000
To Electricity charges	30,000		
To Interest on Capital	25,000		
To Depreciation	45,000		
To Provision for Doubtful Debts	16,000		
To Sundry Expenses	5,000		
To Net profit c/d	9,50,000		
	<u>13,39,000</u>		<u>13,39,000</u>

**Other Information:**

- Depreciation allowed as per Income Tax Rules is Rs. 50,000.
- Provision for Doubtful Debts include bad debts written off to the extent of Rs. 2,000

**You are required to Compute the total income for the Assessment Year 2022-23.**

**Q4) From the following information of Mr. Jay the previous year 2021-22, compute the Gross Total Income for the assessment year 2022-23, as if he is a**

**(15)**

- Resident of Ordinary resident
- Resident and Not Ordinarily resident
- Non- resident



Particulars	Amount
1. Income from business in Dubai controlled from London	50,000
2. Rent from House in UK received in Spain	60,000
3. Amount brought to India out of past untaxed profit earned in New Zealand	70,000
4. Income from Agricultural land in Japan received in India	90,000
5. Dividend from Germany company received in London	80,000
6. Royalty from a company in Indonesia, received in Russia	1,00,000
7. Interest credited to HSBC Bank, New York branch	1,10,000
8. Income from profession in Sri Lanka, received in Bhutan	1,20,000
9. Salary earned received in Saudi Arabia	2,00,000
10. Dividend from Indian company received abroad	50,000

OR

**Q4a)** Mr. Vinod Mohite purchased a Residential house on 1-6-1999 for Rs. 1,00,000. He incurred expenses of Rs. 50,000 towards cost of improvement on 2-7-2003 on this house. The fair market value of the house on 1-4-2001 was Rs. 1,50,000. He sold the house on 10-10-2021 for Rs. 40,00,000. He purchased a new house for Rs. 20,00,000 on 15-3-2022.

The cost inflation Index for financial year 2001-02 is 100, for financial year 2003-04 is 109 and for financial year 2021- 22 is 317. **You are required to compute his income from Capital gain for the Assessment year 2022-23.** (8)

b) Mr. Ramesh Shah, an American citizen, staying in Mumbai leaves Mumbai on 16<sup>th</sup> July, 2021 for joining an American firm as an employee. He was in India since 1<sup>st</sup> January 2004 till he left for U.S.A. on 16<sup>th</sup> July 2021 for the purpose of employment.

**Determine his residential status.** (7)

**Q5a) Income chargeable to tax under the head “ profit and Gains from Business and profession.** (8)

b) **Discuss Capital Assets under section 2(14).** (7)

OR

**Q5) Write short notes on: (Any 3)** (15)

- Gratuity
- Residential status of an Individual
- Deductions U/S 80D
- Deductions expressly allowed
- Annual Value

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