

Duration: - 2:30 Hours

333081123

Marks: - 75

Note: - A) All questions are compulsory.

B) Figures to the right indicate full marks.

## Q.1 A Multiple Choice Question (Any 8)

(8)

1. The constitution of India empowers \_\_\_\_\_ to levy tax on income. CO1(U)
  - a) State Government
  - b) Central Government
  - c) Parliament
  - d) Finance Minister
2. The term H.U.F. stands for: CO1(R)
  - a) Hindu divided family
  - b) Human undivided family
  - c) Hindu undivided family
  - d) Human divided family
3. Un-commuted pension received by a Government employee is: CO2(U)
  - a) Exempt
  - b) Taxable
  - c) 1/3 is exempt
  - d) none of these
4. The total of 5 heads of income given u/s 14 is termed as \_\_\_\_\_. CO2(R)
  - a) Total Income
  - b) Gross Total Income
  - c) Net Total Income
  - d) None of the above
5. A has two house properties. Both are self-occupied. The Gross annual value of \_\_\_\_\_ CO3(U)
  - a) Both house shall be nil
  - b) One house shall be nil
  - c) No house shall be nil
  - d) none of the above
6. Sushant has taken a house on rent and sublets the same to A. Income from such house Property shall be taxable under the head. CO3(U)
  - a) Income from house property
  - b) Income from other sources
  - c) Business income
  - d) none of the above
7. Gift received by an individual ₹ 70,000 from his relatives Rajendra shall be \_\_\_\_\_ CO4(U)
  - a) Exempt upto ₹ 25,000
  - b) Fully taxable
  - c) Exempt upto ₹ 50,000
  - d) None of the above
8. Where the amount of an expenditure claimed as deduction exceed ₹ 20,000, it should be \_\_\_\_\_ CO4(U)
  - a) Crossed cheque
  - b) Account payee cheque/draft
  - c) Cash
  - d) None of these
9. Mobile handset received by the assessee Doctor during the course of carrying on his Profession is taxable under the head. CO4(U)
  - a) Salary
  - b) Other sources
  - c) Professional Income
  - d) None of the above
10. Bonus paid to employee is allowed as deduction on \_\_\_\_\_ CO 2(U)
  - a) Accrual basis
  - b) Payment basis
  - c) Declaration
  - d) None of the above

## B True or False (Any 7)

(7)

1. Income tax extend to whole of India. CO 1(U)
2. Income tax is a tax on tax. CO 1(U)
3. Expenditure which is personal in nature is allowed as business expenditure CO 3(U)
4. Export incentives received by an assessee are exempt from tax. CO 3(U)
5. Interest credited to statutory provident fund is fully exempt from tax. CO 2(U)
6. Reasonable letting down value is higher of fair rent or municipal valuation. CO 2(R)
7. Municipal tax paid by owner is allowed as deduction for deemed to be let out property. CO 2(U)
8. Reasonable letting down value is higher of fair rent or municipal valuation. CO 2(U)
9. Municipal tax paid by owner is allowed as deduction for deemed to be let out property. CO 2(U)

Q.2 A Following is the Profit and Loss Account of Mr. Mangesh for year ended 31<sup>st</sup> March CO 4(U) (15)

Particulars	₹	Particulars	₹
To Salaries	2,10,000	By Gross Profit	4,18,000
To Rent	20,000	By Interest Accrued on NSC	10,000
To Postage	7,000	By Dividend from Indian Company	20,000
To Stationery and Printing	27,000	By Winning from Lottery	15,000
To Advertising	20,000	By Interest on Debentures of	
To Repairs to Office	22,700	Limited Company	5,000
To Conveyance	17,000		

To Income Tax	30,000	
To Expenses in Connection with Scrutiny case of Income Tax	4,000	
To Fees paid to C.A. for Income Tax	10,000	
To Miscellaneous Expenses	25,000	
To Depreciation	5,000	
To LIC.	20,000	
To Net Profit	50,300	4,68,000
	4,68,000	

- Salaries include bonus due to employees ₹ 30,000 which was not paid before the due date of filing Income Tax Return.
  - Rent is paid for residential house of Mr. Mangesh.
  - Repairs to office includes a onetime cash payment of ₹ 21,000.
  - Miscellaneous expenses include purchase of shares of an Indian Company for ₹ 20,000.
  - LIC. ₹ 20,000 is paid for maintenance of his handicapped dependent brother.
  - Depreciation as per Income Tax Rules is ₹ 4,000.
- Compute the net taxable income for A. Y.

OR

**Q.2 C.** Dr. Suresh is a medical practitioner. Besides his own practice he works as a part-time physician in a private hospital for which he receives a monthly remuneration. He is also a consultant physician for XYZ & Co. Ltd. on a monthly retainerhip. The doctor maintains a record of his receipts and payments. The following information is extracted from his records for the year ending 31<sup>st</sup> March

CO 4(U) (15)

Particulars	₹
<b>Receipts</b>	
Consultation Fee Receipts	60,000
Gross Remuneration from the private hospital	24,000
Retainerhip fee from XYZ & Co.	6,000
Gifts from Patients	10,000
<b>Payments</b>	
Rent and electricity charges for the clinic	12,000
Telephone charges	2,400
Printing and Stationery	500
Car maintenance expenses	12,000
Wages of clinical assistant	3,600
Drivers Salary	3,600
Life Insurance Premium	2,400

**Additional Information**

Depreciation according to Income - tax Rules on Furniture - ₹ 300, on Car- ₹ 6,000.  
1/3 of the use of the car and the telephone is attributable to personal and private purposes.  
Prepare a statement of Net total income of Dr. Suresh for the assessment year

CO 2(U) (15)

**Q.3 A** From following detail of Mr. Raj, compute salary income for the A.Y.

- Basic salary ₹ 2,800 p.m.
- Medical Allowance ₹ 100 p.m.
- D.A. ₹ 1,000 pm.
- Entertainment Allowance drawn during the year ₹ 200 p.m.
- Provident contribution by employee 10% same amount by employer.
- Residential Telephone bill paid ₹ 500 per quarter.
- Perquisite value of motor car provided ₹ 3,600.
- Perquisite value of rent free quarters ₹ 4,800.

- i) Bonus equal to 2 months basic salary.
- j) Travelling allowances given for business purpose ₹5,000 actual expenses on this account is ₹5,500.
- k) Arrears of salary received ₹ 3,000.
- l) Marriage allowance ₹ 100 p.m.
- m) Electricity and water charges of the accommodation paid by the employer for the whole year amounted to ₹600 (Employer being 50% of the contribution.)
- n) Encashment of leave ₹ 500.
- o) Interest credited to R.P.F. @ 13% ₹6,500.

**OR**

**Q.3 C.** Mrs. Sushila is employed with M/s. Alliance Engineers Pvt. Ltd. She provides you the following information CO2(U) (8)

1. Net Salary per month	9,050
2. Income Tax deducted at source per month	200
3. Profession Tax deducted at source per month	150
4. Provident fund contribution deducted from salary per month	600
5. LLC. premia deducted from salary per month	1,000
6. Club fees met by employer	6,000
7. Salary in lieu of leave	6,000

Compute on the basis of above information taxable income under the head, "Salaries" of Mrs. Sushila for the A.Y.

**Q.3 D** Mr Prakash ordinary Resident has let out the house property situated at Dubai for residential purposes, particulars of which are as follows. CO3(U) (7)

Particulars	₹
Rent received	30,000
Municipal Valuation	36,000
Municipal Taxes paid by tenant	3,600
Repairs (met by tenant)	4,600
Insurance Premium Paid	1,356
Collection Charges	3,300
Interest on borrowed capital (out of which Rs.950 are outstanding)	1,950
Land revenue	1,750
Ground rent	864

**Q.4 A.** Mr. Tom, a British citizen had the following income during the year ended CO1(U) (8)

Sr.	Particulars	₹
1.	Income from house property in India	15,000
2.	Income from property in Rome	10,000
3.	Interest from bank account in India	1,200
4.	Income from business in Bangladesh, being controlled from India	16,000
5.	Interest on bank account in U.S.A.	11,000
6.	Salary earned and received in Tokyo	12,000
7.	Income earned and received in London	13,000
8.	Dividend from British Company received in India	17,000

Compute his Total Income for the assessment year he is:

- i) A Resident ii) A Resident but not ordinary Resident iii) A Non-Resident.



**Q.4 B.** Mr. Sarit purchased a house property in the year 2003-04. Following expenses were incurred for the house property CO3(U) (7)

- i. Cost of Construction in the year 2009-10 ₹ 1,50,000.
- ii. Cost of Construction of 1st floor in 2015-16 ₹ 3,50,000.
- iii. Alteration to house property in 2014-15 ₹ 3,00,000.
- v. The house property is sold to Mr. Alok in the previous year for ₹ 95,00,000.
- vi. Expenses incurred on transfer during the previous year is ₹ 50,000.

Compute the Capital Gain

Previous Year	CII	Previous Year	CII	Previous Year	CII	Previous Year	CII
2001 -02	100	2007-08	129	2013-14	220	2019-20	289
2002-03	105	2008-09	137	2014-15	240	2020-21	301
2003-04	109	2009-10	148	2015-16	254	2021-22	317
2004-05	113	2010-11	167	2016-17	264	2022-23	331
2005-06	117	2011-12	184	2017-18	272		
2006-07	122	2012-13	200	2018-19	280		

**OR**

**Q.4 C.** Mr. R is a resident. He has earned following amounts during the previous year ended 31st March 2023

1. Income from agricultural land in Sri Lanka ₹ 1,50,000 received in Sri Lanka. CO 4(U) (8)
2. Dividend from Foreign Companies received ₹ 5,000/-.
3. Dividend from Indian Companies received :
  - a. Final dividend from Pace Constructions Ltd. ₹ 15,000/-.
  - b. Interim dividend from Glindia Ltd. ₹ 12,400
4. Winnings from lotteries ₹ 1,00,000 (T.D.S. ₹ 35,000/-)
5. As on 1st April, 2018 his investment was as follows :
  - a) 10% Mumbai Municipal Debentures ₹ 50,000/-
  - b) 15% Debentures in Telco Ltd. of ₹ 1,00,000/-
  - c) 8% Port Trust Bonds of ₹ 30,000/-.
  - d) 9% Maharashtra Govt. Loan of ₹ 40,000/-

Compute the Gross Total Income of Mr. Richards for the assessment year.

**Q.4 D.** R was born in Lahore in 1948. He has been staying in America since 1970. He came to visit India on 2.10.2022 and returns on 31.3.2023. Determine his residential status CO 1(U) (7)

**Q.5 A.** Explain amount of exemption from Gratuity under section 10(10) CO 2(U) (8)

**B.** Residential Status of Individual under Section 6 CO 1(U) (7)

**OR**

**Q.5 Short Notes (Any 3)** (15)

1. Allowances Exempted under Salary Income CO2(R)
2. Interest on loan taken for house Property CO3(R)
3. Long term Capital Gain CO4(U)
4. Deduction Under Section 24 CO2(U)
5. Entertainment Allowance CO1(U)

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