

Duration: 2 1/2 Hrs

Note:- 1) All questions are compulsory.

2) Figures to the right indicate maximum marks.

Marks:- 7

Q1A) Fill in the blanks with correct options (Any 8) ( Co1 to Co4)

(8m)

- 1) Clubbing of income \_\_\_\_\_ clubbing of loss  
a) excludes b) exempts c) restricts d) includes
- 2) An individual is entitled to an exemption of \_\_\_\_\_ in respect of income of minor child  
a) ₹150 per child p.m. b) ₹15,000 c) ₹ 1,500 per month d) ₹ 1,500 per minor child
- 3) Capital loss can be set off against  
a) Salaries b) Business Income c) Capital Gains d) Any other head
- 4) Loss from \_\_\_\_\_ cannot be set off  
a) Capital Asset b) House property c) Exempt source d) other sources
- 5) If income ( taxable) of an individual does not exceed ₹ \_\_\_\_\_ Rebate is allowed from tax liability  
a) ₹ 2,5,0,000 b) ₹ 5,00,000 c) ₹7,50,000 d) ₹ 1,000,000
- 6) Rate of interest allowed on capital of partners as per income tax law is \_\_\_\_\_  
a) 6 % b) 10% c) 12% d) 15 %
- 7) TDS is to be deducted @ \_\_\_\_\_ U/s 194A  
a) 30% b) 15% c) 5 % d) 10%
- 8) Breaking up of large value control into smaller contacts to avoid attracting TDS provisions  
a) Tax Planning b) Tax Management c) Tax Avoidance d) Tax Evasion
- 9) Making Timely payment of Taxes  
a) Tax planning b) Tax Management c) Tax Avoidance d) Tax Evasion
- 10) In case of loss of firm, maximum remuneration allowable as deduction is  
a) ₹1,50,000 b) ₹ 1,20,000 c) ₹ 1,80,000 d) ₹1,70,000

Q1B) State True or False Rewrite the sentences (U,R) ( CO1 TO CO4) (any 7)

(7m)

- 1) Individual can be taxed in respect of his own income only.
- 2) Section 61 applies only to irrevocable transfers
- 3) Set-off means adjustment of losses against tax liability.
- 4) Speculative losses can be set off against any business income
- 5) The amount deducted at source is adjusted against final tax liability
- 6) Rent paid for plant or machinery is liable for TDS @10%
- 7) Assess is required to pay interest U/S234A for delay or default in filing of return of income
- 8) In India a resident is taxed on his Indian Income only.
- 9) DTAA lays down rules for taxation of income by source country and residence country
- 10) Tax planning helps in capital formation.

Q2A) Mr. Rajendra is an employee of M/s Raj Oil Mills Pvt Ltd .During the year ended 31<sup>st</sup> March ,2022 he received a net salary of ₹ 3,70,000 after making the following deductions (Co2) (A ) (15M)

- 1) Income Tax ₹19,000
  - 2) Total deduction in respect of contribution to recognized provident fund ₹40,000
  - 3) Total deduction in respect of contribution to L.I.C premium ₹ 41,000
  - 4) Professional Tax ₹2,500.
  - 5) During the year he insured expenditure in cash of ₹ 8,000 towards expenditure on preventive health check up. During the year he earned the interest of ₹15,000 from securities of Central Government and ₹16,500 by way of interest on fixed deposits with Canara Bank. During the year he also made the following investments and payments
- 1) ICICI Pension Plan ₹15,000
  - 2) Investment in NSC ₹60,000
  - 3) Life Insurance premium paid ₹30,000
  - 4) Deferred Annuity Plan ₹ 30,000.

Compute the taxable income of Mr. Rajendra for the assessment year 2022-23.

OR

Q2B) M/s Ravi Kiran, a partnership firm, submits the following profit and loss account to you for computation of taxable business income for the Assessment year 2022-23.(A) (C02) (15M)

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

Particular	Amount	Particular	Amount
To salaries and wages	2,40,000	By Gross Profit	900,000
To Rent	1,32,000	By Dividend from UTI	19,000
To Printing	24,000	By Dividend from Indian Company	50,000
To Telephone and Mobile Expenses	22,000	By Interest on FD With BOI	50,000
To Conveyance	19,000		
To Bad Debts	18,000		
To interest	78,000		
To Depreciation	1,20,000		
To Professional Fees	24,000		
To Subscription	24,000		
To Advertising Expenses	18,000		
To Net Profit	3,00,000		
	10,19,000		10,19,000

Additional Information

- a) Salaries included ₹ 1,50,000 paid to working partner Ravi and ₹ 60,000 to working partner Kiran.
- b) Interest paid includes ₹60,000 being interest paid to partner Kiran at the rate of 20% simple interest.
- c) The firm purchases goods in case of one bill for ₹1,25,000 for which payment has been made by cash

Q3A) Mr. Sudhir has tax liability of ₹ 5, 85,000 for previous year 2021-22. He has paid advance tax as given below upto 15<sup>th</sup> Sept 2021 ₹ 1,00,000 (Co3) (8m)

Up to 15<sup>th</sup> Dec 2021 ₹ 3, 00,000

Up to 15<sup>th</sup> March 2021 ₹ 5, 00,000

You are required to compute liability for the Assessments year 2022-23 and also short fall excess in each advance tax installment.

**Q3B)** Mr. Ravi and his minor Son Ranjan Provide you with the following information for the year ended 31.3.2022 (Co1, U,A) (7m)

Particulars	Mr. Ravi	Mst. Rajan
Income from salary	1,00,000	Nil
Income form profession	NIL	25,000
Interest on Fixed Deposit	10,000	2000

Calculate net taxable Income Mr. Ravi and Master Ranjan for Assessment year 2022-23. Applying the provision of clubbing of Income.

**OR**

**Q3C)** What would be the T.D.S rate applicable u/s 194 C (08 m)

- A company paid ₹ 5 lakhs to Government department on 5.5.2021
- A company involved in advertisement business pay ₹2,00,000 to the Newspaper, on account of publication of its advertisement
- A publishing company sponsors a seminar and pays ₹ 3,80,000 to the organizers who are a firm.
- A company involved in adverting business pay ₹ 60,000 to an artist.
- A garment manufacturing company pays ₹ 5,00,000 to an adverting company.
- Kots Ltd pays advertisement printing bill of ₹ 2,00,000 to an individual.
- Perfect Ltd, pays advertisement printing bill of ₹ 2,00,000 to an individual .
- Accounts department of the Government purchase goods and pay ₹ 20,000 to Amruta canteen Ltd.

**Q3D)** Montoo paid self assessment tax paid on 14.6.2022 and filed his return of income on 31.7.2022 compute interest chargeable under section 234 A and 234 B (7m)

Returned Tax	₹ 5,00,000
TDS	₹ 10,00,000
Advanced Tax paid	₹ 2,00,000

**Q4B)** Balbire a resident individual submit the following information relevant for the previous year ending March 31,2022 ( U, A ) ( Co1) (15m)

Particular	Amount
Income form salary	16,00,000
Income from House Property	70,000
House I	(52,000)
House III ( Self Occupied)	(2,50,000)
Profit and Gains of Business or Profession	
Business I	20,00,00
Business II	(75,000)
Business III (Speculative)	(60,000)
Capital Gains :	
Short Term Capital loss	(83000)
Long Term Capital gains on transfer of preference shares	70,000
Income from other sources :-	80,000
Income from card Games	
Loss on maintenance of horse race	(1,20,000)

Income from owning and maintaining camel race ₹2, 00,000. Determine the Net Income for the Assessment year 2022-23

OR

Q4B) Mr. Surana who derived income of ₹ 3,00,000 during the assessment year 2022-23 from a country with which India has no double taxation avoidance agreement Tax of ₹75,000 was deducted at source in the said country. His name from profession in India during the assessment year 2022-23 amounted to ₹ 400,000.

Compute tax payable by Mr. Surana for Assessment year 2022-23 (U,A) (Co4) (15 m)

Q5A)1. Discuss circumstance under which the return of income is considered defective (Co1+Co4) ( R ) (8 m)

2 Explain any Five provision of set off and carry forward (7m)

OR

Q5 B) Write short notes ( any 3) ( Co1+Co4) ( U,R) (15m)

- a) Remunerations to partners      b) Advance tax on capital gains      c) Tax Evasion      d) Provision of DTAA      e) Belated Return