

Duration: 2 1/2 Hrs

Marks:- 75

Note:- 1) All questions are compulsory.

2) Figures to the right indicate maximum marks.

Q1A) Fill in the blanks with correct option ( Any 8) (Co1 to Co4) (U, R) (8m)

- 1) \_\_\_\_\_ aims to prevent tax avoidance by diversion of income
  - a) Double Taxation
  - b) DTAA
  - c) Clubbing of income
  - d) Carry forward income
- 2) Speculation loss can be set off against \_\_\_\_\_
  - a) Business Profit
  - b) Capital Gain
  - c) Other sources income
  - d) Speculation profit
- 3) Minor child excludes \_\_\_\_\_
  - a) Illegitimate child
  - b) Child below 18 years
  - c) Legal child
  - d) Adopted child
- 4) Capital loss can be carried for \_\_\_\_\_ Assessment years
  - a) 8
  - b) 16
  - c) 4
  - d) 10
- 5) Rate of Health and Education cost is \_\_\_\_\_
  - a) 2%
  - b) 4%
  - c) 6%
  - d) 8%
- 6) Tax Rate charged on income of a partnership firm is \_\_\_\_\_
  - a) 10%
  - b) 15%
  - c) 25%
  - d) 30%
- 7) Income is earned \_\_\_\_\_
  - a) During a year
  - b) at the end
  - c) Over a period of time
  - d) Anytime
- 8) Section 194A deals with TDS on
  - a) Interest paid by bank
  - b) Interest
  - c) Interest other than interest on securities
  - d) Interest on loan
- 9) Choosing the suitable form of assessable entity to pay minimum tax ---
  - a) Tax planning
  - b) Tax management
  - c) Tax avoidance
  - d) Tax Evasion
- 10) Claiming personal expenditure as business expenditure
  - a) Tax planning
  - b) Tax management
  - c) Tax Avoidance
  - d) Tax Evasion

Q1B) State True or False. Rewrite the sentence (any 7) (Co1 to Co2) (U, R) (7m)

- 1) Revocable transfer gives the transferor right to reassume power of the asset.
- 2) Income of minor child suffering from disability U/s 80 U is not to be clubbed.
- 3) Long term capital loss can be set-off against short term or long term capital gain.
- 4) Section 71A allows set off losses within same years.
- 5) Amount paid by contractors to a resident sub-contractor is not liable to TDS U/s 194C.
- 6) The person responsible for deducting TDS is the person who pays the amount
- 7) Interest u/s 234 C is calculated on income returned.
- 8) It is universally accepted principal that same income should not be subjected to tax twice.
- 9) For calming relief U/s 91, income should accrue or arise outside India.
- 10) Tax planning leads to healthy growth of economy.

Q2A) Mr Moghe a Karta of HUF provides the following information for the previous year ended 31<sup>st</sup> March 2022. You are required to compute the net table income for the Assessment year 2022-23 (U,A) (C02) (15m)

Profit and loss Account  
For the year ended 31<sup>st</sup> March 2022

| Particulars           | Amount  | Particulars             | Amount   |
|-----------------------|---------|-------------------------|----------|
| To Rent               | 30,000  | By Gross Profit         | 7,75,000 |
| To Salaries           | 160,000 | By Interest on Bonds    | 50,000   |
| To Motor Car Expenses | 25,000  | By Dividend from Indian | 15,000   |

|                            |          | Companies |          |
|----------------------------|----------|-----------|----------|
| To Life Insurance Premium  | 60,000   |           |          |
| To Income Tax              | 26,000   |           |          |
| To printing and Stationary | 10,000   |           |          |
| To conveyance              | 36,000   |           |          |
| To Deprecation             | 35,000   |           |          |
| To Donations               | 25,000   |           |          |
| To Net Profit c/d          | 4,33,000 |           |          |
|                            | 8,40,000 |           | 8,40,000 |

**Additional Information**

- Salaries included ₹ 40,000 paid to Mr. Moghe's son. The amount is considered reasonable based on his qualification and experience
- Deprecation as per Income Tax Rules is ₹ 38,000
- 40% of Rent paid is attributable towards his residence.
- He paid Medical Insurance Premium for self ₹10,000 and spouse ₹8,000
- He received Maturity proceeds of Life Insurance policy ₹20,000

**OR**

**Q2B)** M/s Samartha lifters a partnership firm, furnishes the following profit and loss account and required you to compute the taxable business income for Assessments year 2022-23 (15m)

| Particulars                             | Amount               | Particulars   | Amount   |
|---|----------------------|---|----------|
| To Salary                               | 2,20,000             | By Gross Profit   | 9,75,000 |
| To Salary to partners<br>Anil<br>Bhavin | 2,00,000<br>1,90,000 | By recovery of bad debts<br>earlier allowed as<br>deduction | 20,000   |
| To Advertisement                        | 20,000               |   |          |
| To Interest                             | 48,000               |   |          |
| To Telephone Expenses                   | 62,000               |   |          |
| To Tea and Snacks                       | 26,000               |   |          |
| To printing                             | 14,000               |   |          |
| To legal Expenses                       | 10,000               |   |          |
| To Travelling                           | 10,000               |   |          |
| To office maintenance                   | 16,000               |   |          |
| To Miscellaneous Exp                    | 11,000               |   |          |
| To Net Profit                           | 1,68,000             |   |          |
| Total                                   | 9,95,000             |   | 9,95,000 |

1. Interest paid to partners is at 16% p.a where as partnership deed provides for 12 % p.a.

**Q3A)** Mr. X has tax liability of ₹ 4,90,000 for previous year 2021-22. She has paid advance tax as given blow (A) (Co3) (8m)

Upto 15<sup>th</sup> June 2021 - Nil

Upto 15<sup>th</sup> Sept 2021 - ₹ 30,000

Upto 15<sup>th</sup> Dec 2021 - ₹ 80,000

Upto 15<sup>th</sup> March 2022 - ₹ 1,00,000

Compute her liability for the Assessment year 2022-23 and also shortfall / excess in each advance tax instalment.

**Q3B)** The income of family is as under ( Co1 ) (R,A)

**(7m)**

- Mr Ram ( from business) ₹ 5, 50,000
- Mrs. Ram ( Salary from school computed ) ₹ 5,40,000
- Minor Son X ( from interest from a company) The amount for investment received from his grand father 10,000.

4. Minor son Y (From acting in a film ) ₹ 60,000.
  5. Minor daughter Z (from lottery)  
The lottery ticket was gifted to her by her maternal uncle ₹1,000
- Discuss in whose hands the incomes are assessable and to what extent?

**OR**

**Q3C)** Ascertain the amount of T.D.S for the following situations (R,A) ( Co3) (8m)

1. State Bank of India has to pay interest of ₹40,000 to Mr. Arun
2. State Bank of India has to pay interest of ₹40,0000 to Mr. Arujun Ltd
3. State Bank of India has to pay interest of ₹3,000 to Mr. Amir on time deposit.
4. Apar Rubbr Ltd has to pay rent ₹30,000 for ware house owned by the State government.
5. Apar Rubber Ltd hast to pay a sum of ₹40,000 to an engineer
6. Mr Ajay has to pay ₹19,000 as professional charges

**Q3D)** Mentoo paid staff assessment tax paid on 14.6.2022 and filed his return of income on 31.7.2022 (7m)  
Compute interest chargeable under section 234 A and 235 B (U,R) ( Co3)

|                  |            |
|------------------|------------|
| Returned tax     | 5,00,000   |
| TDS              | ₹ 1,00,000 |
| Advance Tax paid | ₹2,00,000  |

**Q4A)** X, an individual submits the following information relevant for Assessments year 2022-23 ( U,A) ( Co2) (15)

- 1) Income from salary ₹65,000
- 2) Income from House Property
 

|                  |          |
|------------------|----------|
| House I (Income) | ₹ 35,000 |
| House II (Loss)  | ₹ 17,000 |
| House III (Loss) | ₹ 25,000 |

iii) Income from Business

- |                                       |          |
|---------------------------------------|----------|
| Business I (speculative) –Profit      | ₹ 45,000 |
| Business II (non speculative ) – loss | ₹ 55,000 |

Find out the net taxable income of Mr. X for A.Y. 2022-23 applying the provision of set off and carry forwards of losses.

**OR**

**Q4B)** Mr. Somshekar aged 28 years, a model is deriving income of ₹4,00,000 from modelling performed outside India Tax of ₹80,0,000 was deducted at source @20% in the country where the shows were held. India does not have any agreement with the country for avoidance of double taxation. Indian income of Somshekar is 20,00,000. Compute the total income and the tax payable by him for A.Y 2022-23 assuming that he was resident for the given previous year with PPF deposit ₹ 1,50,000 ( U,A) ( Co40) (15m)

**Q5A)** Explain the provision of loss under the head profit and gains of business and profession U/s 72 ( Co1 to Co4) (8m)

**Q5 B)** Explain various provision of Tax Deduction at Sources ( 7m)

**OR**

**Q5 C)** Write short note on (Any three) (Co1 to Co4) ( R ) (15M)

- |                                       |                                       |
|---------------------------------------|---------------------------------------|
| a) Inter Sources adjustment U/s 70    | b) Substantial interest               |
| b) Due Dates of payment of Avenue Tax | d) Tax planning e) Provision for DTAA |