

Time: 3 Hours

Total Marks: 100

1. All Questions are compulsory.
2. Exercise internal options wherever given.
3. Figures to the right represent full marks to the question.
4. All questions should be answered w.r.t assessment year 2023-24.
5. All workings shall form part of the main answer.
6. Use of simple calculator is allowed.

Q.1A. Choose the **Most Appropriate** Alternative and rewrite the Statements (**Any Ten**) (10)

1. Income earned and received in India is taxable in the hands of _____.
(a) Resident and Ordinary Resident only (b) Resident but not Ordinary Resident only
(c) Non-Resident only. (d) All three Residential categories of persons.
2. Voluntary Retirement Compensation received by an employee is exempt upto Rs. _____
(a) 20,00,000. (b) 10,00,000. (c) 5,00,000. (d) 3,50,000.
3. Lumpsum payment received on retirement from Statutory Provident Fund is _____.
(a) Exempt. (b) Exempt up to 12% of Basic Salary.
(c) Exempt up to 9.5% interest rate. (d) Exempt up to 50% of amount received.
4. Pre-construction period interest on housing loan is allowed as deduction in _____ instalments, upon completion of construction.
(a) One (b) Three (c) Five (d) Seven.
5. _____ is not a deduction under the head of salary.
(a) Standard deduction. (b) Entertainment allowance.
(c) Tax on Employment (d) Interest on loan
6. While computing the exemption of Gratuity for a person covered under the **Payment of Gratuity Act**, Salary refers to _____.
(a) Basic plus Dearness Allowance (b) Net taxable Salary
(c) Gross Salary (d) Basic plus Dearness Allowance plus % of commission on turnover.
7. In case of unlisted shares, Short-Term Capital Gain arises, if the period of holding of shares is _____.
(a) Not more than 36 months (b) Not more than 12 months
(c) Not more than 24 months (d) Not more than 10 months
8. Deductions under chapter VI A cannot exceed _____.
(a) Rs.1,50,000 (b) Gross Total Income
(c) Net Taxable Income (d) Rs. 2,50,000.
9. Indexation of cost will be allowed, only while computing _____.
(a) Short term capital gain. (b) Long term capital gain
(c) Medium term capital gain (d) Both short term and long-term capital gain

10. From the following, ----- is a capital asset as defined u/s 2(14) of the Income Tax Act, 1961.

- (a) Urban Agricultural land (b) Personal Scooter (c) Personal Utensils (d) Personal Car

11. If any asset is used for less than ----- days in the year of acquisition, the depreciation rate will be 50% of the normal rate as per Income Tax Act 1961.

- (a) 180 (b) 90 (c) 365 (d) 45

12. The value of rent free accommodation provided by the employer is a ----- perquisite.

- (a) Taxable (b) Taxable only in case of specified employees
(c) Not Taxable (d) 50% is Taxable

Q.1.B. State whether the following statements are True or False (any ten) (10)

1. Shiv Shakti Mitra Mandal is assessable under the Income tax as Association of Persons.
2. Standard Deduction u/s 16(1) under the head salary cannot exceed Rs.50,000.
3. Leave Encashment is exempted upto a maximum of Rs.3,00,000.
4. Income earned and received outside India is not taxable to Resident and Ordinary Resident.
5. Income from smuggling is not taxable under the Income Tax Act, as it is illegal.
6. Depreciation is allowed only when it is claimed.
7. Capital gain on transfer of depreciable business assets is always short-term capital gain.
8. Income by way of interest received on compensation or on enhanced compensation on compulsory acquisition of capital asset is chargeable under the head Income from Sources.
9. There are total five heads of Income.
10. Donation to a political party is an allowable business expenditure.
11. Repairs of a worn out part of machinery used in factory is an admissible expense under Income Tax Act, 1961.
12. Status of Indian citizen is always a resident.

Q.2.A Dr Sanjay Ghokshe works as Associate Professor, Dr Y. Y. Patil Institute of Hotel Management. He has provided the following particulars of his income for the previous year ended 31st March 2023; you are required to compute his total income for Assessment Year 2023-24.

(10)

Sr. No.	Particulars	Amount (Rs)
1	Monthly Basic Pay	1,35,500
2	Dearness allowances 42% of Basic Pay	
3	Professional tax	2,500
	Other information :	
4	He received income from crossword puzzle	59,000
5	He has written book on 'Cafeteria Management' and received royalty from publisher	67,000
6	He contributed to Pension fund	1,40,000
7	He paid medical insurance premium of Rs 20,000 by cheque for himself.	

Q.2.B From the following information provided by Mr Ashvaghosha for the previous year ended on 31st March 2023, you are required to compute the net taxable income for the Assessment year 2023-24.

Particulars	House at Parel Rs.	House at Panvel Rs.
Status	Let-out	Self-occupied
Fair Rent (per month)	60,000	55,000
Rent Received (p.a.)	8,00,000	Nil
Municipal Taxes Paid	32,000	25,000
Interest on loan taken borrowed on 1 April 2022 for house construction	Nil	2,25,000
Maintenance charges	55,000	75,000
Other Information		
Interest on fixed deposit with company		Rs 32,000
He invested Rs.60,000 in National Saving Certificates		
He paid Interest Rs.32,000 on Education loan taken from Bank of India for his son, who is pursuing post-graduation in Data sciences from Gokhale Education Society, Nasik Institute (recognized).		

(10)

OR

Q2C. Mr Ghanshyam is employed with M/s ABC Ltd as HR manager. He has provided you with the following income details for the previous year 2022-23. You are asked to compute his net taxable income for the assessment year 2023-24.

(20)

1. Basic Salary Rs 80,000 per month
2. Dearness Allowance Rs 25,000 per month
3. House Rent Allowance Rs 50,000 per month
(Exempt Rs 20,000 per month)
4. Perquisite value of Laptop Rs 2,10,000 p.a.
5. Fixed Medical Allowance Rs 25,000 p.a.
6. Entertainment Allowance Rs 6000 per month.
7. Mediclaim Insurance premium paid Rs 15,000.
8. He invested Rs.2,00,000 in Public Provident Fund.

He is also the owner of two house properties .

Particulars	House property 1 (Self-Occupied)	House property 2 (Let out)
Municipal Valuation	Rs 10,00,000 p.a.	Rs 6,00,000 p.a.
Fair Rent	Rs 8,00,000 p.a.	Rs 8,00,000 p.a.
Actual Rent Received	-	Rs 85,000 per month
Municipal Taxes Paid	Rs 90,000	Rs 60,000 (paid by the tenant)
Interest on Home loan	Rs 2,50,000	Rs 2,00,000
Water Bill	Rs 10,000 p.a.	Rs 5,000 p.a.
Premises Maintenance	Rs 1200 per month	Rs 800 per month

Q.3 A. Following is the Profit & Loss Account of "M/s Fashionable Art" owned by Mrs. Urvashi Pandit, for the year ended 31st March, 2023. (20)

Profit & Loss Account For the Year Ended 31st March, 2023

Particulars	Rs.	Particulars	Rs.
To Salaries	3,60,000	By Gross Profit	10,42,800
To Telephone Expenses	12,650	By Saving Bank Interest	13,900
To Office Expenses	42,000	By Interest on Time Deposit	40,000
To Profession Tax	2,500	By Dividend from Indian Co.	10,000
To Staff Incentives	48,800		
To Printing & Stationery	4,500		
To Depreciation	12,000		
To Laptop Purchased	58,000		
To Advertisement	52,000		
To Interest on Personal Loan	22,000		
To Custom Duty Paid	45,000		
To Net Profit	4,47,250		
Total	11,06,700	Total	11,06,700

Additional Information:

- 1) Deprecation as per Income Tax Rules is Rs.10,000.
 - 2) Advertisement includes Rs.15,000 for advertisement in souvenir of a Political Party.
 - 3) She paid Rs.25,000 towards Pension Fund of LIC.
 - 4) She invested Rs.80,000 in ULIP Plan.
 - 5) Salary include Rs.60,000 (Rs.5,000 per month) paid to her Son Mr. Umesh Pandit who is B. Com Graduate and write the accounts for her business.
- Compute the Net Taxable Income of Mrs. Urvashi Pandit's for the assessment year 2023-24.

OR

Q3 B. Following is the Profit & Loss Account of "M/s Quality House" owned by Mr. Divakar Raorane, for the year ended 31st March, 2023. (20)

Profit & Loss Account For the Year Ended 31st March, 2023

Particulars	Rs.	Particulars	Rs.
To Salaries	3,10,000	By Gross Profit	9,64,800
To Electricity Expenses	9,500	By Rent Received from Let-out House Property	2,87,000
To Municipal Tax	10,000	By Unrealized Rent Recovered for F.Y. 2021-22	10,200
To Profession Tax	2,500		
To Income Tax	12,400		
To Conveyance Expenses	45,200		
To Depreciation	10,500		
To Repairs & Maintains	25,500		
To Professional Fees Paid	12,000		
To Interest on Housing Loan	50,000		
To Furniture Purchase	82,000		
To Net Profit	6,92,400		
Total	12,62,000	Total	12,62,000

Additional Information:

- 1) Municipal valuation of House Property is Rs.2,89,000.
 - 2) Repairs & Maintains include Rs.15,000 for repairs for house property.
 - 3) He invested Rs.60,000 in Equity Linked Saving Scheme (ELSS) for himself.
 - 4) He paid Medical Insurance premium of Rs.12,000/- by cheque for himself and spouse.
- Compute the Net Taxable Income of Mr. Divakar Raorane for the assessment year 2023-24.

Q.4 A. Mr. Siddheshwar purchased a residential Property for Rs 8,25,000 on 14th March, 1998. (10)

Additional information related to property was as follows:

1. Fair market value as on 1st April, 2001 was Rs. 9,75,000
2. Cost of construction of 1st floor in the financial year 2007-08 Rs. 3,50,000
3. Cost of construction of 2nd floor in the financial year 2014-15 Rs. 5,00,000
4. He sold the above property on 12-01-2023 for Rs.90,00,000 and paid brokerage of Rs. 1,40,000.
5. He purchased new residential property for Rs. 25,00,000 on 02-02-2023.
6. He also invested Rs.4,00,000 in eligible bonds issued by National Highway Authority of India (NHAI) On 03-03-2023.

Compute his Capital Gain for the Assessment Year 2023-24.

Relevant Cost Inflation Indices are as follows:

Financial Year	Cost Inflation Index
2001-02	100
2007-08	129
2014-15	240
2022-23	331

Q.4 B. Mr. Vinay, an Indian citizen, leaves India on 11-12-2022 for the first time, to work as an officer of a company in Slovenia. Determine his residential status for the assessment year 2023-24. (10)

OR

Q.4 C. Mr. Dharmendra furnishes you the following particulars for the previous year ending 31st March, 2023. He requests you to compute the taxable capital gain for Assessment year 2023-24. (10)

- 1) He purchased residential property on 15th February, 1998 for Rs. 9,00,000
- 2) Fair Market Value on 1st April, 2001 was Rs.10,00,000.
- 3) He sold on 15th October, 2022 his residential property for Rs. 95,00,000.
- 4) Expenses on transfer amounted to Rs. 1,25,000.
- 5) **He incurred expenses on improvement:**
Rs. 2,10,000 in the financial year 2007-08
Rs. 3,80,000 in the financial year 2019-20.
- 6) He purchased a new residential house for Rs. 40,00,000 on 22th November, 2022
- 7) He deposited Rs. 9,50,000 in eligible bonds issued by Rural Electrician Corporation Limited (RECL) on 17th December, 2023.

Relevant Cost Inflation Indices are as follows:

Previous Year	Cost Inflation Index
2001-02	100
2007-08	129
2019-20	289
2022-23	331

Q.4 D: Mr. Tushar has earned the following income during the previous year ended on 31st March, 2023. (10)

Particulars	Rs.
1) Income from business in Pune, controlled from U.S.A.	3,75,000
2) Income from agriculture in Bangladesh	5,50,000
3) Rent from house in Nasik, received in London	1,25,000
4) Professional fees earned in India, received in Sri Lanka	1,00,000
5) Royalty from a company in Japan, received in U.K.	2,25,000
6) Interest credited to ABC Bank, New York Branch	1,20,000
7) Income from business in U.K. controlled from Mumbai.	2,00,000
8) Amount brought into India out of the past untaxed profits earned outside India	1,44,500

Compute his total income for the assessment year 2023-24 assuming as follows:

- He is Resident and Ordinarily Resident
- He is Non Resident

Q.5 A. State the exempt Income under Section 10 of the Income Tax Act. (10)

B. Discuss the provisions of Depreciation under Section 32 and explain the concept of Block of Assets. (10)

OR

Q.5.C Write Short notes on: (any four) (20)

- Definition of Assessee and Assessment
- Exceptions to the Basic Conditions of Residential Status of an individual
- Pre-construction period interest
- Deductions under Section 80 DD
- Taxability of Gift
- Gross Total Income and Net Total Income.
