

Time: 3 Hours

Total Marks: 100

1. All Questions are compulsory subject to internal choice.
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 2024-25.
5. All workings shall form part of the main answer.
6. Use of simple calculator is allowed.

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

1. Mr. Devanampriya has started his business from 2 Sept, 2023 and does not have any other source of Income, his first previous year will start from  
(a) 1 April, 2022 (b) 2 September, 2023  
(c) Any of the above (d) None of the above
2. Gratuity received by a government employee is \_\_\_\_\_  
(a) Fully exempted (b) Partly exempted  
(c) Fully taxable (d) Exempted up to ₹.:1,00,000
3. An individual is said to be resident in India if he stays for \_\_\_\_\_ days during the previous year  
(a) 180 (b) 182  
(c) 183 (d) 184
4. Deduction U/S 80C is not available to \_\_\_\_\_  
(a) Individual (b) HUF  
(c) Company (d) All of these
5. \_\_\_\_\_ is covered under section 80D of the Income Tax Act, 1961  
(a) Medical treatment of handicapped dependent  
(b) Medical insurance premium  
(c) Reimbursement of medical expenses  
(d) Repayment of loan taken for higher education
6. Transfer of \_\_\_\_\_ assets will not be considered as capital gain  
(a) Diamond Jewellery (b) Gold deposit bonds  
(c) Antique Paintings (d) Sculpture
7. Mr Maitreya paid to IES's Patkar Guruji Vidaylay, Dadar for his school going daughter: - tuition fees ₹.7,000 and school bus fees ₹.2,000. He is entitled to a deduction under section 80C equal to  
(a) ₹.2000 (b) ₹.7,000  
(c) ₹.5,000 (d) ₹.9,000
8. Income Tax Act extends to \_\_\_\_\_  
(a) Whole of India (b) Whole of Maharashtra  
(c) Maharashtra and Gujrat (d) Whole of India except Jammu and Kashmir
9. Remuneration Received by a partner from partnership firm is taxable under \_\_\_\_\_  
(a) Income from House Property (b) Income from Other Sources  
(c) Capital Gain (d) Income from Business and Profession

10. Bonus to employee is taxable on \_\_\_\_\_ basis.  
(a) Accrual (b) Receipt  
(c) Due (d) Open
11. Previous year means the \_\_\_\_\_ immediately preceding the Assessment year  
(a) Financial Year (b) Calendar Year  
(c) Leap Year (d) Academic Year
12. If the house property is let out with fixed assets, will be chargeable under the head \_\_\_\_\_.  
(a) Income from House Property (b) Income from Other Sources  
(c) Capital Gain (d) Income from Business

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

(10)

1. An association of person consist of individuals only.
2. Advance received against salary is not part of gross salary.
3. Gift received from mother is fully taxable.
4. Monthly Pension received by government employee is full exempt from tax.
5. The status of Indian origin individual is always a resident.
6. Wages and Salaries are taxable under the head income from salaries.
7. There are total Six heads of Income.
8. Section 80 U is applicable to residential individual.
9. Tata Power Limited is a partnership firm under the Income Tax Act.
10. Under Section 80CCC deduction available to HUF.
11. Municipal taxes paid by owner is allowed as deduction under the head Income from House Properties.
12. Zero Coupon Bonds held for 7 months is a short-term capital gain.

Q2. (a) Ms Daniella joined a company PDP Ltd. on 1st November 2023 and was paid the following emoluments and allowed perquisites as under:

(20)

Emoluments:

Basic Pay	-	₹.	70,000 per month
Dearness Allowance	-	₹.	10,000 per month
Bonus (Target Achiever)	-	₹.	2,00,000 per month

She could achieve target only for two months.

Perquisites:

- (1) Furnished accommodation owned by the employer and provided free of cost. Taxable value of the rent free furnished accommodation was ₹. 2,35,000.
- (2) Use of laptop for office use worth ₹. 23,800.

Before joining the PDP Ltd. she was a Central Government employee and retired on 30th June 2023. She was paid the following emoluments and perquisite by the Government.

Basic Salary	- ₹. 80,000 p.a.
Dearness Allowance	- ₹. 16,000 p.a.
Entertainment allowance since 1962	- ₹. 20,000 p.a.

From 1st July 2023 she receives the monthly pension of ₹. 29,000 from the Government. She received ₹. 20,00,000 as gratuity.

Apart from above she also earned following interests from her investments during the year:

1. Interest on Fixed Deposits: ₹. 3,18,000 (net TDS : ₹. 72,000)
2. Interest from Saving Bank account- ₹. 73,000

3. Interest from Sukanya Samriddhi Account ₹. 13,000

4. She also received ₹. 4,00,000 as share of profits from agricultural land in Raipur.  
She paid ₹. 15,000 as Medclaim premium amount for herself and 25,000 for her dependent father during the year 2023-24.

You are required to compute net taxable income for Ms Daniella for the previous year 2023-24 relevant to Assessment year 2024-25.

OR

Q2.(b) Mr. Sunder (disability 50%) is employed in Inder Pvt Ltd and receives the following emoluments during the previous year ending 31.3.2024 : (10)

Basic Pay	₹. 16,50,000 annually
Dearness allowance	₹. 3,50,000
Commission	₹. 3,00,000
Entertainment Allowance	₹. 1,00,000
Medical expenses reimbursed by the employer	₹. 45,000
Children education allowance received	₹. 30,000 for his only daughter.
Professional tax paid	₹. 2500

Mr. Sunder contributes ₹. 1,00,000 towards pension fund. He has no other income but received gift from mother ₹. 7,50,000.

You are required to compute net taxable income for Mr. Sunder for the previous year 2023-24 relevant to Assessment year 2024-25.

Q2.(c) Mr. Earth is working in ABC Ltd. and has given the details of his income for the previous year 2023-24. (10)

- Basic Salary received ₹. 1,05,000 per month
  - Dearness allowance (50% is for retirement benefits) ₹. 60,000 per month
  - Commission as a percentage of turnover 5%
- Turnover during the year ₹. 5,00,00,000

His own contribution in the recognized provident fund ₹. 2,00,000

Employer's contribution to recognized provident fund 20% of his basic salary and dearness Allowance.

Q3 (a) Following is the Profit & Loss Account of "M/s Global Financial Services" owned by Mr. Nimesh Waja, for the year ended 31<sup>st</sup> March, 2024. (20)

**Profit & Loss Account for the Year Ended 31<sup>st</sup> March, 2024**

Particulars	₹	Particulars	₹
To Salaries	2,25,000	By Gross Profit	9,85,000
To Travelling Expenses	40,000	By Saving Bank Interest	5,700
To Office Expenses	30,000	By Interest on Time Deposit	23,000
To Profession Tax	2,500	By Income Tax Refund.	10,000
To Staff Welfare Expenses	44,000		
To Printing & Stationery	12,850		
To Depreciation	36,000		
To Professional Fees	50,000		
To Drawings	9,000		
To Interest on Personal loan	45,000		
To GST Paid	36,000		
To Net Profit	4,93,350		
Total	10,23,700	Total	10,23,700

**Additional Information:**

- 1) Depreciation as per Income Tax Rules is ₹.25,000.
  - 2) 30% of travelling expenses is for personal purpose.
  - 3) He paid ₹.65,000 towards school fees for his son.
  - 4) He Paid ₹.1,00,000 for Life Insurance Premium.
  - 5) Salary includes ₹. 1,20,000 (₹10,000 per month) paid to his wife Mrs. Waja who is B. Com Graduate and write the accounts for his business.
- Compute the Taxable Income of Mr. Nimesh Waja for the assessment year 2023-24.

**OR**

Q3 (b) Following is the Profit & Loss Account of "M/s R&D Associates" owned by Mrs. Richa Shah, for the year ended 31<sup>st</sup> March, 2024. (20)

**Profit & Loss Account for the Year Ended 31<sup>st</sup> March, 2024**

Particulars	₹	Particulars	₹
To Salaries	2,65,000	By Gross Profit	8,85,000
To Electricity Expenses	30,700	By Rent Received from Let-out House Property	3,84,000
To Municipal Tax	12,000	By Unrealized Rent Recovered for F.Y. 2022-23	30,000
To Profession Tax	2,500		
To Income Tax	15,000		
To Conveyance Expenses	35,900		
To Depreciation	22,100		
To Repairs & Maintenance	30,000		
To Legal Expenses	15,000		
To Interest on Housing Loan	1,20,000		
To Furniture Purchase	42,000		
To Net Profit	7,08,800		
Total	12,99,000	Total	12,99,000

**Additional Information:**

- 1) Municipal valuation of House Property is ₹.3,55,000.
  - 2) Repairs & Maintenance include ₹.12,000 for renovation for house property.
  - 3) She invested ₹.1,20,000 in Pension Fund of LIC for herself.
  - 4) Salaries includes ₹.15,000 paid in cash.
  - 5) She paid Interest on Education loan of ₹.50,000/- for herself.
- Compute the Taxable Income of Mrs. Richa Shah for the assessment year 2024-25.

Q.4 (a) Mr. Rahul, who is born and brought up in India and an Indian Citizen, went for further studies to U.S.A. on 1st March, 2020 and came back to India on 1st October, 2023 and since then he is in India. Determine his residential status for the assessment year 2024-25 giving explanation for your answer. (10)

Q.4 (b) Mr. Nilesh provides the following particulars of assets transferred by him during the previous year ended 31st March, 2024. You are required to compute his Income from Capital Gains chargeable to tax for Assessment Year 2024-25.

A residential house in Jaipur was purchased on 24th December, 1996 at a cost of ₹. 12,00,000.

Fair market value of the residential house on 1st April, 2001 was ₹.20,00,000.

The cost of improvement incurred by him was as follows: (10)

Financial Year	Amount
1998-1999	₹.2,50,000
2006-2007	₹.3,66,000
2010-2011	₹.3,75,750
2013-2014	₹.4,40,000

He sold the above house on 15th March, 2024 for ₹.1,80,00,000. He incurred transfer expenses of ₹.2,00,000 on the sale transaction.

He purchased a new residential house in Udaipur for ₹.43,00,000 on 25th March, 2024.

He purchased 3 years' bonds issued by Rural Electrification Corporation (REC) for ₹.15,00,000 on 26th March, 2024.

Cost Inflation Index are as follows:

Financial Year	Cost Inflation Index
2001-2002	100
2006-2007	122
2010-2011	167
2013-2014	220
2023-2024	348

OR

Q4 (c) Miss Ruchita furnishes the following particulars for the previous year ending 31-03-2024 and requests you to compute the taxable capital gain for assessment year 2024-25. (10)

(a) She had a Residential house purchased on 01-04-2000 for ₹.4,00,000. (FMV as on 1.4.2001 is ₹. 500,000)

(b) In the year 2012-13 further construction and improvement cost was incurred ₹.60,000

(c) On 10-05-2023 the house was sold for ₹. 1,50,00,000.

Expenditure in connection with the transfer ₹.5,000

(d) On 13-12-2023 she purchased new residential house for ₹.80,00,000.

(e) She deposited ₹. 55,00,000 in eligible bonds issued by Rural Electrification Corporation Limited (RCEL) on 20-09-2023.

(f) Cost inflation index (CII) for financial year are as under:

Financial Year	CII
2001-02	100
2012-13	200
2023-24	348

Q4 (d) Mr. Surendra has earned the following income during the previous year ended on 31st March, 2024. (10)

Particular	Amount ₹.
1. Rent from House in Pune, received in Japan	6,00,000
2. Income from business in Spain, being controlled from India	4,00,000
3. Salary earned and received in Bangladesh	3,00,000
4. Professional fees received in India	2,00,000
5. Interest received from State Bank of India, in Nagpur	1,00,000
6. Past untaxed profit earned outside India, brought to India	1,50,000
7. Agriculture income earned in India received in Sri Lanka	1,00,000
8. Dividend from an American company received in Rome	1,50,000

Compute his total income for the assessment year 2024-25 assuming as follows:

- (a) He is Resident and Ordinarily Resident  
 (b) He is Resident but not Ordinarily Resident.

Q.5 a) What are deductions under Section 80TTA and 80DD of the Income Tax Act? (10)  
 Q.5 b) What is income from salary and what are its components? (10)

OR

Q.5 Short notes: (Attempt any four) (20)

- Income from other sources and give examples
- Deemed to be let out property
- Interest on loan for higher education (Section 80E)
- Non-taxable Perquisites
- Scope of total income for Resident and Ordinary Resident
- Heads of Income

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