

B3 T11 22

SYBBI
Semester - III
16.11.2022
Direct Taxation

Time: 2.30 hours

Total Marks: 75

- N.B: 1) Q.1 is compulsory
2) Q.2 and Q.5 having internal options
3) Figures to right indicate full marks
4) State your assumptions clearly.

Q.1 A Multiple Choice questions: (Any 8)

(8)

1. Every Assessee is a person and _____.
 - a) Every person is also an assessee
 - b) An individual is always an assessee
 - c) every person need not be an assessee
 - d) every individual is not an assessee
2. The legal status of Ms. Hima Das, Indian sprint runner is _____.
 - a) An individual
 - b) a sportsman
 - c) A body of individuals
 - d) Local Authority
3. Total income of a person is determined on the basis of _____.
 - a) citizenship
 - b) residential status
 - c) both citizenship and residential status
 - d) Income
4. Uncommuted pension received by a government employee is _____.
 - a) exempt
 - b) taxable
 - c) partly exempt
 - d) partly taxable
5. Mr. Vishant, a Chartered Accountant lets out his ownership office to another chartered Accountant, rent received by him is _____.
 - a) income from business
 - b) income from house property.
 - c) income from other source
 - d) income from capital gain
6. Donation to chief minister's relief fund is _____.
 - a) allowed as business expenditure
 - b) not allowed as business expenditure
 - c) partly allowed as business expenditure
 - d) allowed as capital gain
7. Cost inflation index is applicable when there is _____.
 - a) long term capital gain
 - b) business income
 - c) short term capital gain.
 - d) capital gain
8. Dividend received is exempt if it is received from
 - a) An Indian company
 - b) any company
 - c) a Co-operative Bank
 - d) a scheduled bank
9. Mr.X is paying Rs.50,000 as Interest on Education loan. So he will receive deduction of Rs.50,000 _____.
 - a) U/s 80C
 - b) U/s 80D
 - c) U/s 80E
 - d) U/s 80DD

10. Mr. Jitesh is a person with a physical disability of 50%. He is entitled to a deduction u/s 80U of _____.

a) Rs.75,000

c) Rs.85,000

b) Rs.1,25,000

d) Rs.1,50,000

Q.1 B State whether given sentences are True or False. (any 7)

(7)

1. An association of person consists of any person.
2. Family pension received by a widow of a deceased employee is income from other sources.
3. Gratuity received by Government employee on retirement is fully taxable.

4. Capital gain arises on transfer of any asset.
5. Advance salary received by an employee from the employer is not a part of gross salary.
6. Past untaxed profits brought into India is always taxable.
7. Provision for doubtful Debts can be deducted from profits of business.
8. Mediclaim premium paid by cash Rs.1,500 is allowed as deduction u/s 80D.
9. Municipal tax paid by owner is allowed as deduction from deemed to be let out property.
10. Mr. Nill paid Life Insurance Premium of Rs50,000 on behalf on his wife Mrs. Mary who is dependent on him. He can claim deduction u/s 80C.

Q.2 Mr. C, who is currently employed with JSM Ltd. furnishes you with the following information: (15)

1. The details of monthly salary for the year ended 31-3-2022 are as under:
 - Basic Salary per month – Rs.5,000
 - Dearness Allowance per month:
 - From 1-4-2021 to 31-12-2021 – 25% of Basic
 - From 1-1-2022 to 31-3-2022 - 35% of Basic
 - Professional Tax Deducted per month – Rs.120
 2. Taxable conveyance allowance - Rs.3,500
 3. Bonus @ 20% on Basic plus Dearness Allowance.
 4. Mediclaim Premium paid by employer on behalf of Mr. C – Rs.2,800
- Compute his taxable salary for the assessment year 2022-23.

OR

Q.2 From the following information of Mr. Vijay for the previous year 2021-22, compute the Gross Total Income for the assessment year 2022-23 if he is (15)

- (a) Resident and Ordinary Resident
- (b) Resident but not Ordinarily Resident
- (c) Non Resident

Income	Amt.
1. Income from business in Dubai, controlled from London	50,000
2. Rent from house in UK received in Spain	60,000
3. Income earned in New Zealand in the past, but brought to India during the current previous year	70,000
4. Dividend from German Company, received in London	80,000
5. Income from agriculture in Japan received in India	90,000
6. Royalty from a company in Indonesia, received in Russia	1,00,000
7. Interest credited to HSBC Bank, New York Branch	1,10,000
8. Income from Profession in Bhutan, received in Bhutan (Profession was set	1,20,000

5. Income from agriculture in Japan received in India	80,000
6. Royalty from a company in Indonesia, received in Russia	90,000
7. Interest credited to HSBC Bank, New York Branch	1,00,000
8. Income from Profession in Bhutan, received in Bhutan (Profession was set up in India)	1,10,000
	1,20,000

Q.3 A Ram owned a house property at Madras which was occupied by him for the purpose of his residence. He was transferred to Delhi in June 2021 and therefore he let out the property with effect from July 1,2021 on a monthly rent of Rs. 3,000. The municipal tax payable in (08)

respect of property @ 25% of the rateable value was Rs.6,000 of which 50 percent was paid by him before March 31, 2022. Fair rent of the property is Rs.20,000. Interest on money borrowed for the construction of the property amounted to Rs.20,000. Compute the Income from house property for the assessment year 2022-23.

- B** Mr. Charlie Farande who is an Indian Citizen went for employment to Dubai on 1st April 2016 and came on a visit to India on 1-7-2021 and left for Dubai on 15-12-2021. Determine his residential status for Assessment Year 2022-23. (07)

OR

- Q.3 C** Mr. Ranson gives you the following information compute income from other sources for the A.Y. 2022-23. (7)

1. Dividend of Rs. 90,000 received from an Indian Company.
2. Lease rent of vacant plot of land of Rs.1,42,100 was received during the year.
3. Rs.1,30,000 received by him from his friends on his wedding anniversary.
4. Interest of Rs.18,000 received on a bank fixed deposit.
5. He wins Rs.62,000 from card games.

- D** Mr. Zen sold residential building at Delhi at Rs.70,00,000 on September 1, 2021. This building was acquired by him on 1st October, 2012 for Rs. 5,00,000. He paid brokerage @ 1% of the (15) real estate agent at the time of sale of building. He purchased a residential building at Bangalore on March 7, 2022 for 35,00,000. Mr. X also made some improvement in the year 2013-14 for 5,00,000. Compute Income from Capital Gains for A.Y. 2022-23. CII for 2012-13 is 200, 2021-22 is 317 and 2013-14 is 220. (8)

- Q.4** Mr. Mehta provide the following information for the previous year ended 31st March 2022. You are required to compute his Net Taxable income for the A.Y 2022-23 (15)

Profit & Loss A/c for the year ended 31st March 2022

Particulars	Amt	Particulars	Amt.
To Office Salaries	2,80,000	By Gross profit b/d	10,00,000
To General Expenses	80,000	By Int on NSC	15,000
To Int on Capital	30,000	By Winning lotteries	65,000
To Advance Income Tax	25,000		
To GST paid	10,000		
To Income Tax	5,000		
To Donations	20,000		
To Bad Debts	70,000		
To Depreciation	45,000		
To Drawings	30,000		

To Depreciation	45,000		
To Drawings	30,000		
To Net Profit c/d	4,85,000		
	10,80,000		10,80,000

Additional Information:

1. He spend Rs.26,000 as a medical on his father "a very senior citizen", who is not covered under medical Insurance Scheme and he paid Rs.4,000 to Star Health Insurance Corporation in respect of Medical Insurance for self.
2. Depreciation as per Income Tax Act is Rs.50,000.
3. General expenses include Rs.12,000 spent on his Birthday Celebration of his son.

OR

Q.4

From the following Profit and Loss Account of Mr. Krishna compute his total taxable income for the Assessment Year 2022-23.

(15)

(Profit and Loss Account for the year ended 31st March 2022)

Particulars	Amt	Particulars	Amt
To Opening Stock	40,000	By Sales	23,12,600
To Purchases	15,00,000	By Closing Stock	42,400
To Office Salaries	37,000	By Dividend from UTI	1,00,000
To Conveyance	31,000	By Gift from Father	24,000
To Stationery and Printing	31,000		
To Salaries	15,200		
To General Expenses	40,400		
To Depreciation	19,600		
To Income Tax	9,600		
To Salary to Mr. Krishna	11,200		
To Interest on Capital	7,200		
To Net Profit	7,46,000		
	24,79,000		24,79,0000

Additional Information:

1. Depreciation as per Income Tax Rules is Rs.17,000.
2. Mr. Krishna who is physically handicapped person with 60% disability paid premium for LIC pension policy Rs.30,000.
3. He paid interest of Rs.90,000 on education loan taken from SBI for his son, pursuing post-graduate degree in medicine.

Q.5 a) Deduction from Income from House Property.

(8)

b) List out any 5 deduction u/s 80

(7)

OR

Q.5 Write Short note on (any three)

(15)

a) Long term capital gain

b) Let out Property

- c) Deduction w/s 16
- d) Person
- e) Basic condition & additional condition for determining residential status