

RHAT 324

SYBAF-IV
12/03/24
taxation III

Duration: - 2.30 Hrs.

Marks: 75

Note: All questions are compulsory.

Figures to the right indicate maximum marks.

Q.1 A Rewrite the statement with the appropriate answer(Any 08) 08

- 1 TDS applicable on commission is _____%.
a) 15
b) 05
c) 02
d) 20
- 2 First due date of payment of advance tax of individual is _____.
a) 15th September
b) 15th December
c) 15th June
d) 15th March
- 3 Due date of return of income for company is _____.
a) 31st March
b) 31st October
c) 30th September
d) 31st December
- 4 Dividend from Indian Company is _____.
a) taxable
b) partly exempt
c) exempt
d) exempt up to Rs.15,000
- 5 The assessee is liable to pay interest _____ for every month u/s 234A.
a) 1%
b) 2%
c) 1.5%
d) 2.5%
- 6 Business loss can be set-off against _____.
a) Salary
b) Business Income
c) House Property
d) Winning Income
- 7 Interest paid to partner on their capital cannot exceed _____.
a) 10%
b) 12%
c) 18%
d) 20%
- 8 TDS u/s 192 is deducted @ _____.
a) 2%
b) 20%
c) 10%
d) 30%
- 9 If rent is paid for Land and Building, TDS is to be deducted @ _____.
a) 2%
b) 20%
c) 10%
d) 25%
- 10 Short Term capital loss can be set-off against _____ income.
a) Business Income
b) Long term capital gain
c) House Property
d) Salary

Q.1 B- State whether the following statements are True or False(Any 07) 07

- 1 A firm cannot pay remuneration to its partners if it has incurred loss.
- 2 Revocable transfer gives the transferor right to re-assume power of the asset.
- 3 There cannot be a loss under the head 'salaries'.
- 4 Belated Return can be submitted at any time before the end of the relevant assessment year or before the completion of the assessment whichever is earlier.
- 5 Revised return can be filed before the end of the relevant assessment year or before the completion of assessment whichever is earlier.
- 6 The person responsible for deducting TDS is the person who pays the amount.
- 7 Advance tax is also payable on capital gains income earned by the assessee.

- 8 Interest u/s 234B is levied if the advance tax that has been deposited is insufficient.
- 9 It is a universally accepted principle that same income should not be subjected to tax twice.
- 10 Income on which tax has been paid in foreign country is eligible for claiming relief u/s 91.

Q.2 A

Mr. Vijay Parkar is partially blind (75% disability). He works with Maharashtra Furniture's. For the year ended 31st March 2023. He gives you the following information:

15

Particulars	Amount (Rs.)
Basic Salary	4,80,000 p.a
Commission received	3,00,000 p.a
House Rent Allowance (Exempt HRA – Rs.42,900)	1,20,000 p.a
Servant's Salary Allowance	60,000 p.a
Transport Allowance	39,600 p.a
Reimbursement of medical expenses	30,000
Profession Tax Deducted	2,500
Particulars of Owned House (Let out)	
Municipal Valuation (p.m)	80,000
Rent received (p.m)	1,00,000
(House was vacant for two months)	
Municipal taxes paid	
- By Owner	50,000
- By Tenant	10,000
Interest on Capital Borrowed for purchase of house Paid during the year	1,20,000
Interest outstanding on 31 st March, 2023	60,000

Other Information:

He had taken loan from Bank of Maharashtra for higher education of his son studying for engineering degree in Dehradun. During the year he paid 40,000 as interest on this loan. Compute his taxable income and tax for the assessment year 2023-24

OR

Q.2 B

Shri Prateek a severely handicapped person (86%) is the proprietor of PK & Co. 15 Following is the profit & loss account for the year ended 31st March 2023.

Particulars	Amt.	Particulars	Amt.
To Salaries	2,85,000	By Gross profit	10,38,000
To Conveyance	66,100	By Interest Accrued on NSC	12,500
To General Expenses	45,950	By Gift from friend	51,000
To Interest paid	1,16,100	By Duty Drawback received	1,28,300
To GST	46,250		
To Advertising Expenses	31,000		
To Provision for Doubtful Debts	15,000		
To Contribution to PPF	60,000		
To Depreciation	45,000		
To Net profit	5,19,400		
Total	12,30,000	Total	12,30,000

Additional Information:

- a) Depreciation charged is found to be in excess by Rs.6,000 as per the Income Tax laws.
- b) Advertising expenses of Rs.31,000 are paid in cash to M/s Bright Advertising.
- c) General expenses paid towards penalty for delay in filing of returns.
- d) GST include Rs.15,000 paid towards penalty for delay in filing of returns.

Compute the Net Taxable Income and Tax of Shri Prateek for the A.Y 2023-24.

Q.3 A Compute the amount of tax to be deducted at source on the following payments made by M/s Shreya Ltd. during the financial year 2022-23 as per the provisions of the Income – Tax Act 1961. **07**

Sr.No.	Date	Nature of Payment
1	01.10.2022	Payment of Rs.2,00,000 to Mr.X a transporter who is having PAN.
2	01.11.2022	Payment of fees for technical services of Rs.50,000 to Mr.Ram who is having PAN.
3	30.06.2022	Payment of Rs.28,000 to M/s XYZ Ltd. for repair of building.
4	01.01.2023	Payment of Rs.2,00,000 made to Mr.A for purchase of diaries made according to specifications of M/s Shreya Ltd. however, no material was supplied for such diaries to Mr.A by M/s Shreya Ltd.
5	01.02.2023	Payment of commission of Rs.18,000 to Mr. Y.

Q.3 B Mr. Suraj Vike is an employee of L&T Ltd. and has substantial interest in the company. His salary is ₹ 30,000 p.m. Mrs. Suraj Vike also is working in that company at a salary of ₹ 11,000 p.m. without any professional qualification. Mr. Suraj also receives 20,000 as income from securities. Mrs. Suraj owns a house property which she has let out. Income from house property is ₹ 1,00,800. Both the husband and the wife have three minor children-two twin daughters and one son. Income of the twin daughters is ₹ 2,000 p.a. each and that of his son is ₹ 1,200 p.a. Compute the income of Mr. Suraj Vike and Mrs. Suraj Vike for assessment year 2020-21. **08**

OR

Q.3 C ABC Ltd. has paid advance tax for the previous year 2022-23 as given below: **08**

1. Upto 15-06-2022 – Rs.50,000
2. Upto 15-09-2022 – Rs.1,50,000
3. Upto 15-12-2022 – Rs.3,00,000
4. Upto 15-03-2023 – Rs.6,00,000

Actual tax liability was found to be Rs.7,00,000 and balance tax was paid on 10-12-2023. Compute interest payable under section 234B and 234C.

Q.3 D Mr. B, a resident individual, furnishes the following particulars for the P.Y 2022-23 **07**

Particulars	Amount
Income from Salary (Net)	45,000
Income from House property	(24,000)
Income from Business – Non Speculative	(22,000)
Income from Speculative Business	(4,000)
Short – Term Capital Losses	(25,000)
Long-Term Capital Gains	19,000

What is the total income chargeable to tax for the A.Y. 2023-24

Q.4 A Income and Expenditure A/c of Lawyers & Co. for the year ending March 31, 2023 15

Particulars	Amt.	Particulars	Amt.
To Expenses	1,50,000	By Professional Receipts	3,80,000
To Depreciation	20,000	By Other Fees	90,000
To Remuneration to Partners	1,50,000		
To Interest on Capital to Partners @20%	20,000		
To Net profit	1,30,000		
	4,70,000		4,70,000

Other Information:

- Expenses include Rs.18,000 and Rs.12,000 paid in cash as brokerage to a single party on a day.
 - Depreciation calculate as per section 32 is Rs.40,000.
- Compute the total income of the firm.

OR

Q.4 B Given below is the Profit and loss Account of partnership firm for the Financial year 2022-23. 15

Particulars	Amt.	Particulars	Amt.
To Purchase	15,35,000	By Sales	35,00,000
To Direct and Indirect exp	7,35,000	By Interest on Securities (Net) (TDS Rs.5,000)	45,000
To Depreciation	2,20,000		
To Interest to Partners	2,00,000		
To Salaries to Partners	6,60,000		
To Net Profit	1,95,000		
	35,45,000		35,45,000

Other Information:

- Depreciation allowable as per section 32 is Rs.1,50,000.
 - Purchase include a bill from a supplier for Rs.30,000 which was paid in cash.
 - The firm has 3 partners A,B and C. They share profits in the ratio 4:3:3. C is sleeping partner.
 - Interest is paid to partners @20% p.a. and authorized in partnership deed.
 - Salaries, authorized by partnership deed are paid to all partners equally.
- Compute Taxable Income and Tax of the firm considering that it is a business firm for the Assessment Year 2023-24.

Q.5 A Discuss the provisions of Income of Minor Child. 08

B What do you mean by 'Tax Evasion'? Give some examples of devices used to evade tax. 07

OR

Q.5 C Write short note on (Any Three) 15

- Tax Planning
- Distinguish between interest u/s 234B and interest u/s 234C
- Provision regarding deduction of TDS of Salary
- Losses in speculation business
- Clubbing of Income