

RA3D1023

54 BAR Sem III  
TAX.  
Reg / Arkt Oct 2023.

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 A Co-operative Society is treated under Income Tax law as \_\_\_\_\_  
a) a company b) an association of persons  
c) a body of Individuals d) an artificial juridical person
  - 2 Un-commuted pension received by a Government employee is \_\_\_\_\_  
a) exempt b) taxable  
c) 1/3 is exempt d) non-taxable
  - 3 Salary received by partner from firm \_\_\_\_\_  
a) salary b) income from other sources  
c) income from business d) exempt income
  - 4 Municipal value 90,000; Fair rental value 1,40,000; Municipal taxes 40,000. The entire house remained self-occupied throughout the previous year. Net Annual Value is \_\_\_\_\_  
a) 90,000 b) 1,40,000  
c) 1,00,000 d) 2,00,000
  - 5 What is charged to tax under 'Profit and Gains from Business' \_\_\_\_\_  
a) gross profits b) gross turnover  
c) gross receipts d) net profits
  - 6 Shares held for less than 12 month are \_\_\_\_\_  
a) short term capital gain b) exempted capital assets  
c) long term capital gain d) excluded from definition of capital asset
  - 7 Rakesh received Rs.70,000 from his friend on the occasion of his birthday  
a) the entire amount is taxable b) the entire amount is exempt  
c) Rs. 20,000 is taxable d) Rs. 1,00,000 is taxable
  - 8 Deduction U/s 80CCC is allowed to the extent of \_\_\_\_\_  
a) Rs. 2,00,000 b) Rs. 2,50,000  
c) Rs. 1,00,000 d) Rs. 1,50,000
  - 9 CII refers to \_\_\_\_\_  
a) Cost Inflation Index b) Cost Improvement Index  
c) Cost Income Index d) Cost Indicator Index
  - 10 The quantum of deduction u/s 80U is \_\_\_\_\_  
a) Rs. 40,000 b) Rs. 60,000  
c) Rs. 75,000 d) Rs. 70,000
- Q.1 B State whether the following statements are True or False( Any 07) 07**
- 1 A birthday gift received by Mr. V from his father Rs.20,000 is not taxable as income of Mr. V
  - 2 Residential status of a person may change from year to year.
  - 3 Gratuity shall be fully exempt in the case of employees of Central Govt., State Govt. and Local Authorities.
  - 4 A has two house properties. Both are self-occupied. The annual value of both houses shall be nil.
  - 5 Reserve for bad debts can be deducted from profits of business.
  - 6 Capital gain arises from the transfer of any asset.
  - 7 An assessee can never have a loss from lottery income.
  - 8 Deduction u/s 80C in respect of LIC premium is allowed to any assessee.
  - 9 During the F.Y. 2022-23, Mr. Amit paid interest on loan availed by him for his son's higher education. His son is already employed in a firm. Mr. Amit will get the deduction u/s 80E.
  - 10 Income from Self occupied property is either Nil or Negative.

**Q.2 A** Mr. Anshuman Bansode works with the Government of Maharashtra. He gives you **15** following information for the year ended 31st March 2023.

Basic Salary (Gross) – Rs.3,00,000 p.a

Dearness Allowance – Rs.1,45,000 p.a

House Rent Allowance (Exempt u/s 10 Rs.30,000) – Rs.60,000 p.a

Entertainment Allowance (Amt spend on entertainment Rs.12,000) – Rs.12,000 p.a



Conveyance Allowance (Amount spend on conveyance for official purposes Rs.28,000) – Rs.48,000 p.a

Arrears of Salary (Not taxed earlier) – Rs.2,00,000

Profession Tax deducted from Salary – Rs.2,500 p.a

Employees Provident Fund deducted from Salary – Rs.30,000 p.a

**Other Information:**

He received Rs.2,00,000 from LIC of India as maturity value of life insurance policy taken on his life. He had taken a loan from State Bank of India for higher education of his daughter pursuing an Engineering degree course of Delhi University. During the year he had paid Rs.50,000 as principal and Rs.70,000 as interest.

Compute his taxable Income for the Assessment Year 2023-24.

**OR**

**Q.2 B** Mr. Nagesh gives the following information for the previous year 2022-23:

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Particulars	House 'I' Self-occupied (Rs.)	House 'II' Let-out (Rs.)
1. Fair Rent (per month)	30,000	40,000
2. Municipal Valuation(per month)	35,000	45,000
3. Rent received (per month) (House II vacant for 3 months)	-	50,000
4. <b>Municipal Tax</b> – paid by owner	25,000	50,000
5. Interest on Housing Loan taken on 1-4-2010	2,10,000	40,000
<b>Other Information:</b>		
Rent from subletting		1,00,000
Dividend from Vijaya Bank Ltd.		60,000
Interest on Fixed Deposit with Bank		1,00,000
Interest Accrued on NSC		1,20,000

He also paid interest Rs. 60,000 on Higher Education Loan taken from Bank of Baroda for his son.

You are required to calculate his Taxable Income for the Assessment year 2023-24.

**Q.3 A** Mr. Vijay, proprietor of V and Co. furnishes you the following information for the year ended 31-3-2023. 15

**Profit and Loss Account for the Year ended 31<sup>st</sup> March, 2023**

Debit	Rs.	Credit	Rs.
To Salaries	180,000	By Gross Profit	890,000
To Conveyance	30,000	By Dividend from Indian Companies	9,000
To Interest on Loan	11,000	By Gift from father	60,000
To Interest on Proprietor's Capital	19,000	By Dividend from Co-operative Bank	1,000
To Repairs and Maintenance	18,000		
To Wealth Tax	12,000		
To Interest on Penalty on Wealth Tax	3,000		
To Travelling Expenses	27,000		
To Depreciation	35,000		
To Life Insurance Premium	55,000		
To Staff Welfare	40,000		
To Advertisement	10,000		
To Net Profit	520,000		
<b>Total</b>	<b>960,000</b>	<b>Total</b>	<b>960,000</b>

**Additional Information :**

- (a) Depreciation as per Income Tax Rules Rs. 40,000.
  - (b) Travelling Expenses include expenses for visiting his native place Rs. 8,000.
  - (c) Mediclaim insurance premium for his wife paid by cheque Rs. 15,000.
  - (d) LIP is on a policy for Rs. 550,000 issued on 1-4-2020.
- You are required to compute his total Taxable Income for the A.Y 2023-24.

**OR**



Q.3 B Mr. Kulkarni gives you the following information for the year ended 31<sup>st</sup> March, 2023. 15

**Profit and Loss Account for the year ended 31-3-2023**

Expenses	Rs.	Income	Rs.
To Salaries to staff	200,000	By Gross Profit	10,00,000
To Salary to Mr. Kulkarni	60,000	By Winnings from horse racing	100,000
To General Expenses	150,000	By Divided from Co-operative Bank	20,000
To Conveyance	70,000	By Interest on P.P.F. Account	40,000
To Rent of premises	100,000	By Old Debts recovered	38,000
To Fire Insurance premium	27,000		
To Reserve for Doubtful Debts	20,000		
To Income Tax	15,000		
To Contribution to P.P.F.	50,000		
To Depreciation	70,000		
To Net Profit	436,000		
Total	11,98,000	Total	11,98,000

**Other Information :**

1. Depreciation allowance under Income Tax Rules is Rs. 60,000.
  2. General expenses include Rs. 10,000 for gifts to staff and Rs. 20,000 for LIC Pension Plan Premium.
  3. Old debts in respect of which recovery is made were not allowed as deduction in the past, though they were written off in books.
- Compute his total taxable income for Assessment Year 2023-24.

Q.4 A Mr. Vipin provides the following particulars of assets transferred by him during the previous year ended 31<sup>st</sup> March, 2023. You are required to compute his income from Capital Gains chargeable to tax for Assessment year 2023-24. 15

A residential house in Jaipur was purchased on 24<sup>th</sup> December, 1996 at a cost of Rs.12,00,000.

Fair market value of the residential house on 1<sup>st</sup> April, 2001 was Rs.20,00,000.

**The cost of improvement incurred by him was as follows :**

Financial year	Amount (Rs.)
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 15<sup>th</sup> March, 2023 for Rs.1,80,00,000. He incurred transfer expenses of Rs.200,000 on sale transaction.

He purchased a new residential house in Udaipur for Rs.43,00,000 on 25<sup>th</sup> March, 2023. He purchased 3 years bonds issued by Rural Electrification Corporation (REC) for Rs.15,00,000 on 26<sup>th</sup> March, 2023.

**Cost Inflation Index are as follows :**

Financial Year	Cost Inflation Index
2001-2002	100
2006-2007	122
2010-2011	167
2013-2014	220
2022-2023	331

**OR**

Q.4 B Mr. Shekhar furnishes you the following particulars of income earned by him during the previous year ended on 31<sup>st</sup> March, 2023. 15

<b>Particulars</b>	<b>Amount (Rs.)</b>
1. Income from Business in Delhi controlled from London	2,00,000
2. Interest on Debentures of Indian Co. received in Japan	2,20,000
3. Rent from property in France received in Mumbai	2,40,000
4. Interest on Bank Account in Dubai	1,20,000
5. Income from Agriculture in Sri Lanka	1,40,000
6. Income from business in Nepal controlled from India	1,60,000

7. Salary earned and received in Singapore	1,80,000
8. Past untaxed profits earned in UK brought to India during the previous year	2,60,000
9. Rent from property in Singapore	2,00,000
10. Interest on Bank Account in India	1,80,000
11. Fees received in UK for services rendered in India	1,40,000
12. Commission from Indian company received in Japan	80,000

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

- He is Resident and Ordinary Resident
- He is Resident but not Ordinary Resident
- He is Non-Resident

**Q.5 A** Write any Eight items of income which are exempt u/s (10) of the income tax Act 1961. **08**  
**B** Define and explain "person" and "previous year" as per income tax act, 1961 **07**

**OR**

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

- Taxable perquisites
- Self-occupied property
- Income from other sources
- Commutation of pension.
- Deductions under the head of salary.

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