

A3T1122

SYBAF  
Semester - III

11.11.2022

Taxation - II  
(Direct Taxes P. - I)

Duration :- 2 hrs 30 mins

Total Marks :- 75

- Notes :-
1. All questions are compulsory subject to internal choice.
  2. Figures to the extreme right indicate full marks.
  3. Use of simple calculator only is allowed.
  4. Working notes should form part of main answer.

Q.1.A. State whether following statements are True or False. (Any 8)

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1. RLV can be determined as higher of Municipal Value & Standard Rent.
2. Gift received by Mr Sachin from wife Rs 1,00,000/- is fully taxable.
3. CII is applicable in case of short term capital assets.
4. Total Deduction u/s 80CCC cannot exceed Rs 5,000/-
5. Previous year can be less than 12 months.
6. Entertainment allowance is allowed as deduction to both government & non-government employees.
7. Income from agricultural land in Sri Lanka is not taxable.
8. Thane Municipal Corporation is a local authority.
9. There are 5 heads of Income under Income Tax Act, 1961
10. Mr Amitabh paid Life Insurance Premium of Rs 50,000/- on behalf of his wife who is dependent on him. He can claim deduction u/s 80C

Q.1.B. Match the Columns.(Any7)

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Column A	Column B
1. Listed Equity shares of Indian Company held for 18 months	a. Ordinary Person
2. Shivaji University	b. Not a capital asset
3. Highest Tax Liability	c. Taxable Perquisite
4. Voluntary Gift from customer	d. Artificial Judicial Person
5. Agricultural Land situated in Indonesia	e. Capital asset
6. Uncommuted Pension	f. Long Term Capital Asset
7. GST	g. Taxable as Salary Income
8. Drawing & paintings	h. Allowable business expenditure
9. Reimbursement of medical expenses from employer	i. 30% of Net Annual Value
10. Standard Deduction on House Property Income	j. Business Income

Q.2. Mr Pavitru is employed with Tata Information Ltd. he provides you with the following information for the Assessment Year 2022-23.

- 1) Net salary Rs 9,500/- per month.
- 2) Profession Tax deducted Rs 200/- per month.
- 3) He receives entertainment allowance of Rs 750/- per month.
- 4) He is provided free gas, water and electricity; perquisite value of which is Rs 9,900/- per annum.
- 5) He received bonus of Rs 8,000/- for the previous year.
- 6) He received arrears of salary Rs8,500/- for the year 2018-19 during the previous year
- 7) The employer paid his L.I.C premiums aggregating Rs 5,500/- for the year 2021-22.
- 8) He took advance salary of Rs 18,000/- for an occasion in a family.
- 9) He received as a director of Godrej Industries Ltd. Rs 2,500/- as director's fees during the yr 2021-22
- 10) He retired on 31-3-2013 and received Rs 2,00,000/- as Gratuity on the same day, out of which Rs 1,62,000/- is exempt u/s 10(10).

Compute his Gross total income for the assessment year 2022-23.

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OR

Q.2. Mr Vishwanath, an India citizen, furnishes the following particulars of his income earned during the previous year relevant to assessment year, 2022-23:

- a) Pension from Indian employer received in Sudan Rs36,000/-.
- b) Profit from business at Pune and managed from Britain Rs48,000/-.
- c) Income earned from business in Kuwait which is controlled from Mumbai Rs 54,000/-  
(Rs30,000/-received in India)
- d) Past untaxed profit brought to India Rs1, 00,000/-.
- e) Income from agricultural land in Sri-Lanka Rs10,000/- received in India.
- f) Profit on sale of Plant at Bhopal (1/2 received in U.S.A.) Rs 38,000/-.
- g) Dividend from German Company received in India Rs 5,000/-.
- h) Profit from business in Rajasthan controlled from Maharashtra Rs 74,000/-.
- i) Salary earned and received in Saudi Arabia Rs 48,000/-.
- j) Interest on Bhutan Development Bonds (entire amount received in Sudan) Rs 40,000/-.

Determine the Gross total Income of Mr Vishwanath for the assessment year 2022-23, if he is –

- i) Resident and Ordinarily Resident ii.) Resident but Not Ordinarily Resident iii) Non-Resident

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- Q.3. From the following Profit & Loss Account of Mr Desai for the year ending 31<sup>st</sup> March, 2022. Compute his business Income.

Particulars	Rs	Particulars	Rs
To Office Salaries	15,000	By Gross Profit	1,30,000
To General Expenses	8,500	By Interest on Bank Deposits	4,100
To Interest on capital of Mr Desai	3,000	By Interest on Company Deposits	7,600
To Bad Debts Reserve	5,000	By Refund of Income-tax for A.Y.2018-19	1,000
To Depreciation	15,000		
To Advertisement	9,000		
To Fire insurance premium	1,200		
To Donation	5,000		
To Advance Income Tax	4,000		
To GST Paid	5,000		
To Income tax for 2020-21	3,000		
To Net Profit	69,000		
<b>Total</b>	<b>1,42,700</b>	<b>Total</b>	<b>1,42,700</b>

Additional Information:-

1. Allowable Depreciation was Rs 10,000/-
2. General Expenses include furniture purchased worth Rs 2,500/-
3. Office Salaries include salaries paid to Mrs Desai Rs 3000/- Mrs Desai, B.Com writes the accounts of the business
4. Advertisement includes Rs 2,500/- for the advertisement in souvenir of a political party. 15

**OR**

- Q.3.A. Mr Abhijit is the owner of two house properties namely "Shanti Niketan" at Nasik and "Shanti Dham" at Nagpur & partially blind (60% disability). Both the houses are occupied by Mr. Abhijit and are used as and when required. He furnishes you the following information for the Previous Year 2021-22:

Particulars	Shanti Niketan at Nasik (Rs)	Shanti Dham at Nagpur (Rs)
Municipal Valuation	39,000	31,000
Municipal Taxes paid	7,385	4,440
Fair Rental value	45,000	39,000
Fire Insurance	900	800
Ground Rent	567	440

Advice Mr Abhijit taking into consideration the provisions of Income Tax Act, and compute the taxable income under the head Income from house property.

**Q.3.B.** Shri Pravin Kumar came to India from Australia for the first time on 10-10-2020. He returned to Australia after staying in India up to 10-06-2021. Determine his residential status for the assessment year 2022-23

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**Q.4.A. Ascertain the legal status of the following 'Persons'**

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- |                             |  |
|-----------------------------|--|
| 1. Sachin Cricket Club      | 2. Kedarnath Devasthanam                                 |
| 3. Reliance Industries Ltd. | 4. Joint Venture among Ajay Ltd., Vijay Ltd & Sujay Ltd. |
| 5. Master Arjun (a minor)   | 6. Ms Swara  |
| 7. The Tata Memorial Trust  | 8. Two lawyers working in partnership                    |

**Q.4.B. State whether following are capital assets, giving reasons.**

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- |                                  |                           |
|----------------------------------|---------------------------|
| 1. Vacant Land                   | 2. Shares of Dobby Ltd.   |
| 3. A house for personal use      | 4. Goodwill of a business |
| 5. Washing Machine used in house | 6. Utensils               |
| 7. Jewellery                     |                           |

**OR**

**Q.4.** Mr Jayesh Karnik acquired residential property on 01/03/1992 for Rs 2,00,000/- Additional information pertaining to property was as follows

Fair Market Value as on 01/04/2001 was Rs 2,40,000/-

Cost of Improvement made by him –

Financial Year 1994-95 – Rs 50,000/-

Financial Year 2006-07 – Rs 1,20,000/-

Financial Year 2015-16 – Rs 4,00,000/-

Financial Year 2016-17 – Rs 3,80,000/-

Financial Year 2017-18 – Rs 3,80,000/-.

He sold this property on 25/01/2022 for Rs 1,80,00,000/-

He acquired new residential house for Rs 58,00,000/- on 19/03/2022

He invested Rs 15,00,000/- in Rural Electrification Corporation (REC) Bonds on 20/03/2021

Expenses on transfer Rs 75,000/-

Compute taxable long term capital gain for Assessment Year 2022-23 considering following Cost Inflation Index.

FY 2001-02 - 100

FY 2006-07 - 122

FY 2015-16 - 254

FY 2016-17 - 264

FY 2021-22 - 317

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**Q.5.A.** Write in short any 8 exempted income u/s 10 of Income Tax Act, 1961

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**Q.5.B.** Define Capital Assets u/s 2(14)

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OR

**Q.5. Write Short Notes (Any 3)**

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1. Deductions v/s Exemptions
2. Receipts from LIC
3. Cost Inflation Index
4. Person
5. Depreciation u/s 32