

Taxation II (Direct Taxes Paper I)

[Time:2.30 Hrs]

[Marks:75]

Please check whether you have got the right question paper.

- N.B:
1. All question are compulsory.
 2. Figures to the right indicate full marks.
 3. Students answering in the regional language should refer in case of doubt to the main text of the paper in English.

Q.1 A Choose the correct alternatives (any 8 out of 10)

08

1. Income Tax Act came into force from _____.
(1962/1956/1986/1973)
2. STCG stands for _____.
(Short term capital gain/Short term current gain/small term capital gain/Small term current gain)
3. Section _____ provides deduction for Life Insurance Premium
(80C/80D/80E/80T)
4. A standard deduction is provided to Income from house Property at the rate of _____.
(45%/30%/15%/25%)
5. Income from Lottery is charged Income tax at the rate of _____.
(30%/35%/25%/40%)
6. A person by whom a tax is payable under the act is called _____.
(Assessee,. Resident,. Non-resident,. Individual)
7. The periodic payment of money for the past service is known as _____.
(Pension,. Bonus,. Gratuity,. Encashment of leave)
8. The deduction for Mediclaim is _____.
(80D,. 80C,. 80U,. 80G)
9. An Person with Indian Origin has to be in India in previous year for ____ days.
(182,. 365,. 60,. 90)
10. Dividend received by a shareholder from an _____ company is exempt
(Indian,. Foreign,. MNC,. One person)

Q.1 B Match the following (any 7 out of 10)

07

Group A	Group B
a. Std. Deduction for house property	i. Not taxable for Non-resident of India
b. Std Deduction for salary	ii. 30% of net annual value
c. Deduction u/s 80C	iii. Fully exempt u/s 10(10)
d. Deduction u/s 80TTA	iv. Limit for deduction 1,50,000
e. Deduction u/s 80U	v. Deduction for Medical Insurance Premium paid

f. Deduction u/s 80D	vi. Deduction for Handicapped Resident Individual
g. Capital Assets	vii. Household furniture
h. Foreign Income received abroad	viii. Deduction on interest on saving account
i. Gratuity received by Govt. employee	ix. ₹ 50000
j. Income from other sources	x. Deduction for maintenance Handicapped dependent
	xi. Jewellery
	xii. Rent from subletting of house property

Q.2 A From the following profit & loss A/c of Mr. Q. a senior citizen, compute his taxable professional income for the A.Y. 2022-2023. Profit & Loss A/c for the year ended 31st March 2022 is as follows 15

Expenses	Amount	Income	Amount
To salaries	1,52,000	By Gross profit	6,64,000
To Fire Insurance Premium	22,000	By Interest on Deposit of SBI	36,000
To Staff Welfare Exp.	36,000	By Amt. Received on maturity of LIC Policy	1,00,000
To Postage & Telegram	6,000		
To Interest on Proprietors Capital	8,000		
To Travelling Exp.	74,000		
To Misc. Exp.	42,000		
To Repairs & Maintenance	14,000		
To Donation	10,000		
To Advertisement Exp.	40,000		
To Reserve for Doubtful Debt	10,000		
To Depreciation	20,000		
To Sales Tax paid	8,000		
To Advance Income Tax paid	6,000		
To Income Tax paid for P.Y. 2021-2022	2,000		
To Net Profit	3,50,000		
	8,00,000		8,00,000

Additional Information:

- Depreciation as per Income tax rules is ₹ 30,000
- Paid for self-Medical Insurance Premium of ₹ 26,000 by Cheque
- Advertisement expenses include ₹ 15,000 spent on advertising in a

magazine published by a political party

- Repairs & Maintenance include household expenses of ₹ 2,000

OR

Q.2 B Mr. Ramesh is the Sales Manager of M/s. Balakrishnan Foods Pvt. Ltd. He provided you the following information for the previous year ended 31st March, 2022 15

- Basic Salary @ 14,500 p.m.
 - Dearness Allowance ₹ 1,500 p.m.
 - Bonus ₹ 24,000
 - Commission on Sales @ 10%.
 - Sales during the year ₹ 32,01,600/-
 - Perquisite value of car ₹ 27,540 being used for personal purposes.
 - Education Allowance @ ₹ 1,300 per month (Exempt u/s 10(14) ₹ 1,200)
 - Received Entertainment Allowance @ ₹ 1,825/ p.m. since 1st January, 2021
 - Employer deducted profession tax ₹ 2,500/- for the year 2021-2022
- You are required to compute taxable salary of Mr. Ramesh for the Assessment Year 2022-2023.

Q.3 A Ajay purchased a house property for ₹ 2,54,800 on January, 16 1999. The value of the house is ₹ 3,50,000 in 2001. The following expenses are incurred by him for making additions/alterations to the house property: 8

Alteration/reconstruction of the property in 2004-05	₹ 60,000
Renovation of First Floor in 2011-2012	₹ 45,000
The house property is sold by Ajit on June 27, 2021	₹ 65,00,000

Expenses incurred on transfer is ₹ 55,000. Calculate taxable amount of capital gain.

[Cost of inflation index for F.Y. 2001-02 is 100, for F.Y. 2004-05 is 113 and for F.Y. 2011-12 is 184 and for F.Y 2021-2022 is 317.]

Q.3 B Mr. Dhoni an India Citizen has settled abroad for the twenty- five years. His stay in India in the last few years was as under: 7

Year	Days
2017-2018	121
2018-2019	157
2019-2020	182
2020-2021	156
2021-2022	186

He did not come to India prior to 2015. Determine his residential status for the assessment year 2022-23?

OR

Q.3 C Mr. Ashok owns a building consisting of two identical units where 8

construction was completed on 31st January 2021. The building was occupied from 1st April 2021 onwards. The particulars pertaining to the three for the year ended on 31st March 2022 are given below:

Nature of occupation: Unit 1 self-occupied for residence, Unit 2 - Let out for residence

Particulars	Unit 1 (₹)	Unit 2 (₹)
Fair Rent	6,00,000	6,00,000
Rent Received	----	7,20,000
Municipal Taxes	30,000	50,000
Repairs	5,000	6,000
Municipal Value	6,02,000	6,50,000

Interest for the total building is ₹ 35,000.

Compute Income from House Property for Assessment year 2021-2022.

- Q.3 D Determine Mr. Jammy's income if he is (a) resident (b) non-Resident (c) Resident but Ordinary Resident

7

Income from business in Singapore controlled from Dubai	₹ 5,00,000
Dividend from Saraswat Co-operative bank, Mumbai	₹ 25,000
Profit on sale of property in Dubai, 50% received in India	₹ 10,00,000
Dividend from Microsoft USA, 40% received in India	₹ 75,000
Profit from business in Dubai, partly controlled from India	₹ 2,00,000
Dividend from UTI Mutual fund received in Dubai	₹ 30,000
Untaxed income of previous year 2016-2017 brought in India	₹ 5,00,000

- Q.4 A From the following particulars submitted by Miss Sangita, an ordinary resident, compute her Taxable income for the A.Y. 2022-2023.

15

Particulars	Amount
Municipal Taxes	8,000.00
Fire Insurance Premium	16,000.00
Actual Rent received per month	48,000.00
Interest:	
Interest From bank on FDR	12,000.00
Interest On post office saving account	6,000.00
Interest On debentures	4,000.00
Interest On public provident fund account	3,500.00
Royalty from books	7,000.00
Lottery prize	25,000.00
Director's meeting fees received from Y Ltd.	2,500.00

She had also spent ₹ 800 for the purchase of lottery tickets and received the prize on one ticket. Sangita has a Sister, who is handicapped. She looks after her. Calculate the Taxable income for A.Y.2022-2023.

OR

Q.4 B From the following particulars compute net taxable income of Mr. Kanal, 15
working for XYZ Ltd. In Mumbai, for the A.Y. 2022-2023.

1. His salary @ ₹ 28500/- per month.
2. Professional tax @ ₹ 200
3. He received part- time salary @ ₹ 5,000 per month from November, 2021 from another company as part time accountant
4. Gift received from parents ₹ 66,000
5. Mediclaim premium paid is ₹ 11,230 in cash
6. Purchased NSC (VIII Issue) of ₹ 40,000
7. Interest received on bank deposit is ₹ 12,228.
8. Dividend from credit cooperative society received during the year amounted to ₹ 23,560.
9. Leave salary received ₹ 30,000 for leave encashed during the year.
10. Bonus- 2 months of salary - was received in November 2018 separately, which is not considered in his net monthly salary.
11. He has paid premium for ₹ 6000 for his dependent mother who is partially handicapped. His own Insurance premium is ₹ 13000
12. His income from horse race betting amounted to ₹ 5,000.

Q.5 (A) Explain Residential status criteria for Resident, Ordinary Resident and Non-Resident 08

(B) Explain the heads of Income 07

OR

Q.5 Write Short Note on (Any 3 out of 5) 15

1. Perquisites
2. Deductions under 80C
3. Deemed to be let out House Property
4. Agriculture Income
5. Fair value and Municipal value.