

Q.P. Code: 00003834

[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. Working note should form part of main answer
  4. Use of simple calculators is allowed

Q. 1. A. Select the most appropriate alternative (**Attempt any 8 out of 10**)

08

1. A co-operative society is treated under Income Tax laws are \_\_\_\_\_.  
(Company/Association of Person/An Artificial Judicial Person)
2. Residential Status is to be determined for \_\_\_\_\_.  
(Previous Year/Assessment Year/Accounting Year)
3. The Total Income of a person is determined on the basis of \_\_\_\_\_.  
(Residential Status/Citizenship/Both of these)
4. Deduction under Section 80DD shall be allowed upto \_\_\_\_\_.  
(₹ 75,000/₹ 1,25,000/Actual Expenditure)
5. The qualifying amount of preliminary expenses can be claimed as deduction over period of \_\_\_\_\_ years.  
(4 / 5 / 8 /)
6. Deduction u/s 54 is available to \_\_\_\_\_.  
(Individual/Individual and HUF/All Assessee)
7. For Non-Government employee governed by the Payment of Gratuity Act, 1972, the maximum monetary limit for exemption is \_\_\_\_\_.  
(₹ 5,00,000/₹ 20,00,000/₹ 10,00,000)
8. The maximum quantum of deduction by way of interest on money borrowed for construction of self-occupied house property is \_\_\_\_\_.  
(₹ 1,50,000/₹ 2,00,000/₹ 1,00,000)
9. The deduction under Section 80E is allowed for repayment of interest to the extent of \_\_\_\_\_.  
(₹ 50,000/₹ 1,00,000/Actual Interest paid during the year)
10. A club is treated under Income Tax laws as \_\_\_\_\_.  
(Company/Association of Person/Body of Individual)

Q. 1. B. State whether the statements are True or False (**Attempt any 7 out of 10**)

07

1. Maximum limit of deduction under Section 80C and 80CCC is ₹ 2,00,000.

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2. Lunch facility provided by employer is a taxable perquisite.
3. Municipal Tax paid by owner only is allowed as deduction under section 24.
4. Gross Annual Value of deemed to let out property is considered as Nil.
5. Transfer includes compulsory acquisition under Income Tax Act.
6. Municipal Tax is allowed as deduction from Gross Annual Value only on paid basis.
7. Amount spent on entertainment can be claimed as deduction under section 16(ii) by all assessee.
8. Profession Tax is allowed as deduction on accrual basis.
9. Receipts of non-compete fees are treated as income under 'Profits and Gains of Business or Profession'
10. Personal effects include jewellery.

Q. 2. A. From the following information of Mr. Jay for the previous year 2022-23, 15 compute the Gross Total Income for the assessment year 2023-24, as if he is a

- a) Resident and Ordinarily Resident
- b) Resident but Not Ordinarily Resident
- c) Non – Resident

Particulars	Amount (₹)
1. Income from business in Dubai controlled form London	50,000
2. Rent from House in UK received in Spain	60,000
3. Amount brought to India out of past untaxed profit earned in New Zealand	70,000
4. Income from Agricultural Land in Japan received in India	90,000
5. Dividend from German Company received in London	80,000
6. Royalty from a company in Indonesia, received in Russia	1,00,000
7. Interest credited by HSBC Bank, New York branch	1,10,000
8. Income from Profession in Sri Lanka, received in Bhutan (Profession set up in Sri Lanka)	1,20,000
9. Salary earned received in Saudi Arabia	2,00,000
10. Dividend from Indian Company received abroad	50,000

OR

Q. 2. B. Mahesh comes to India, for the first time, on April 16, 2020. He stayed in 15 Chennai up to April 10, 2022 and thereafter shifts to Mumbai. He departs from Mumbai for his native country on October 2, 2022. Determine his residential status for the Assessment Year 2023-24.

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- Q. 3. A. Mr. Gharat is working in Gini Silk Mills Ltd. and has given the details of his 15 income for the P.Y. 2022 - 23.

Basic Salary	₹ 1,00,000 p.m.
Dearness Allowance	₹ 60,000 p.m.
City Compensatory Allowance	₹ 10,000 p.m.
Commission	₹ 1,50,000
Bonus	₹ 4,00,000
Taxable Gratuity	₹ 2,50,000
His own contribution in the RPF (Employee)	₹ 2,00,000
Employer's Contribution to RPF (exempt ₹ 2,07,600)	20% of Basic Salary
Interest Accrued in the RPF @ 13% p.a. (exempt ₹ 95,000)	₹ 1,30,000

You are required to computed his gross salary from the details given above for the assessment year 2023-24.

**OR**

- Q. 3. B. Mr. Lahane owns House in Ratnagiri which is let-out throughout the previous 15 year. House let-out for 10 Months on a monthly rent of Rs 6,000.

Particulars	Amount (₹)
Municipal Value	40,000
Fair Rent	50,000
Rent Received	48,000
Municipal Taxes paid by owner	4,000
Insurance Premium (not yet paid)	2,000
Ground Rent	1,000
Maintenance Charges	3,000
Electricity Bill	5,000
Interest on House Loan paid during the year	3,200

Determine Income from Let Out Property as per the given details for the Assessment Year 2023-24.

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- Q. 4. A. Compute the total income and ascertain the tax liability of Sam for the A.Y. 15 2023-24 from the following Profit and Loss Account:

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

Particulars	Amount	Particulars	Amount
To Salaries	1,30,000	By Gross Profit	7,67,000
To Rent	30,000	By UTI Dividend	9,000
To Entertainment Exp	18,000	By LIC Mutual	5,000
To Printing & Stationery	25,000	By Gift from Mother	5,000
To Adv. Exp	50,000	By Winning- Puzzle	12,000
To Motor Car Exp	30,000	By Interest on NSC	3,000
To Drawings	60,000		
To Income Tax	16,000		
To Embezzlement -Employee	7,000		
To Staff Welfare Exp	70,000		
To Donation	30,000		
To Depreciation	35,000		
To Net Profit	3,00,000		
	8,01,000		8,01,000

**Additional Information:**

- (1) Depreciation as per Income tax rules is ₹ 38,000.
- (2) Staff Welfare expenses include ₹ 20,000 for his own treatment.
- (3) 50% of the rent is paid for his residential house
- (4) Printing includes ₹ 5,000 paid for printing marriage cards for his daughter's marriage

**OR**

- Q. 4. B. Mr. Prakash Shetye purchased a house property for ₹ 15,00,000 on 5th October, 15 1992. He constructed a first floor during the financial year 2006-07 for ₹ 5,50,000. He sold the property on 1-2-2023 for ₹ 1,00,00,000. He paid brokerage of ₹ 50,000 for the sale transaction. Fair market value of property as on 1-4-2001 was ₹ 16,00,000. Compute his Capital Gain for the Assessment Year 2023-24.

Relevant Cost Inflation Indices are as follows:

Financial Year	Cost Inflation Index
2001 – 02	100
2006 – 07	122
2022 – 23	331

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Q. 5. A. Why determination of residential status is important to ascertain the income tax liability? 08

Q. 5. B. Discuss various deductions available under the head salary. 07

**OR**

Q. 5. C Attempt (Any 3 out of 5) 15

1. Define the term “Person”

2. Short Term Capital Gain

3. Annual Value

4. Define and explain the term “Business”

5. Gross Total Income

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