

Time : 2 Hours

Total Marks : 60

1. All Questions are compulsory of 15 marks each.
2. Exercise internal options wherever given.
3. Figures to the right represent full marks to the question.
4. All questions should be answered w.r.t assessment year 2023-24.
5. All workings shall form part of the main answer.
6. Use of simple calculator is allowed.

Q1 . Mr Malhar proprietor of Deshmukh & Co., furnishes you the following information profit and loss account for the year ended 31-3-2023. (15)

Debit	Rs	Credit	Rs
To Salaries and travelling expenses	1,15,000	By Gross profit	3,77,845
To Printing and postage	30,025	By Refund from Income Tax Department	300
To Finance expenses	18,100		
To Repairs and maintenance	28,100		
To Income tax	18,300		
To Audit fees	14,500		
To Life insurance premium	3,800		
To Health insurance of employee	14,550		
To Selling expenses	35,350		
To Net profit	1,00,420		
Total	3,78,145	Total	3,78,145

Additional information :

1. He also take care of his dependent brother who is differently abled (80% disability).
2. Depreciation as per Income Tax Rules Rs 36,000.
3. Travelling expenses for visiting his mother Rs 10,050.
4. Mediciam Insurance premium for his wife paid by cash Rs. 18,000.

You are required to compute Gross Total Income and Tax liability for the Assessment year 2023-24.

OR

Q1. M/S MG Firm has provided you with its profit and loss account for financial year 2022-23. You are required to compute the taxable income of the firm and its tax liability for the Assessment year 2023-24 (15)

Particulars	Amount (Rs)	Particulars	Amount (Rs)
To Purchases	1,05,00,000	By Sales	1,80,00,000
To Direct Expenses	15,00,000	By Sale of Export License	12,00,000
To Bad debt Reserve	3,50,000	By Duty Drawback	7,00,000
To GST paid	18,00,000		
To Depreciation	12,00,000		
To Interest to partners @18%	1,80,000		
To Selling and distribution expenses	5,40,000		
To Salaries to Partners	12,00,000		
To Net Profit	26,30,000		
	1,99,00,000		1,99,00,000

Other Information

- GST of Rs 2,00,000 is outstanding for the year.
- Depreciation as per Income Tax Rules is. Rs 11,50,000.
- Salaries are to be paid in ratio of 1: 1 amongst the two partners i.e. Manju and Ghanshyam. Their profit-sharing ratio is also equal.

Q2.

Mr. Vijay works with M/s Jay Traders. He gives you the following information for the year ended 31st March, 2023. (15)

Particulars	Amount (Rs)	
Basic salary (Gross)	75,000	per month
Dearness allowance	25,000	per month
Arrears of salary (not taxed earlier)	50,000	
House Rent Allowance (Exempt Rs.35,000)	55,000	per annum
Transport Allowance	30,000	
Profession tax deducted from salary	2,500	per annum
Other Information:		
Prize money received for participating in T.V. Game	10,000	
Interest on saving bank account with State Bank of India	12,000	
Rent from Subletting	20,000	
Gift from father	51,000	

He paid Medclaim premium of Rs.21,000 for himself, spouse and children.

Compute Net Taxable Income for Assessment year 2023-24.

OR

Q2.

Mr. Sameer Malekar is a physically disabled person (75% disability). He has provided following particulars of his income for the previous year ended 31st March 2023. You are required to compute the net taxable income for Assessment year 2023-24. (15)

Sr No.	Particulars	House 1 (Let - out) Rs.	House 2 (Self - Occupied) Rs.
1	Fair Rent	3,25,000	5,25,000
2	Municipal Valuation	3,20,000	5,60,000
3	Rent Received	3,50,000	Nil
4	Municipal Taxes paid by owner	35,000	40,000
5	Interest on Housing Loan for construction of house (Loan taken on 1-4-2021)	75,000	80,000
Other Information			
6	Dividend from Mutual Fund		15,000
7	Honorarium received for lecture given in University of Mumbai		10,000
8	Interest on fixed deposit with bank		5,000
9	NSC interest accrued		7,000

Q3. Mr. Rajesh provides the following information. You are required to compute net taxable income for Assessment year 2023-24.

He has two Residential House Property. Property one is Let out for Business. Property two is used by Mr. Rajesh. for his own residence (15)

Particulars	Property 1	Property 2
Fair Rent	40,00,000	24,00,000
Municipal Valuation	48,00,000	20,00,000
Standard rent	36,00,000	22,00,000
Interest on Loan taken for construction of property	2,50,000	2,75,000
Municipal tax paid	10%	10%
Fire insurance premium	10,000	10,000
Rent per month	2,00,000	-

Additional information:

1. Interest received on Saving bank Account with State bank of India Rs. 25,000.
2. Income from cross word puzzle Rs. 5,000.
3. Investment made in the PPF Rs. 1,50,000.

OR

Q3(A) Mrs. Pooja furnishes you the following particulars for the previous year ending 31st March, 2023. She requests you to compute the taxable capital gain for Assessment year 2023-24. (08)

- 1) She purchased residential property on 19th January, 2000 for Rs. 8,60,000
- 2) She sold on 28th September, 2022 her residential property for Rs. 1,80,00,000.
- 3) Expenses on transfer amounted to Rs. 2,00,000.
- 4) She incurred expenses on improvement:
Rs. 2,50,000 in the financial year 2003-04
Rs. 3,50,000 in the financial year 2017-18.
- 5) Fair Market Value on 1st April, 2001 was Rs. 22,00,000.
- 6) She purchased a new commercial property for Rs. 49,00,000 on 10th October, 2022
- 7) She deposited Rs. 8,00,000 in eligible bonds issued by Rural Electrician Corporation Limited (RECL) on 5th November, 2022.

Relevant Cost Inflation Indices are as follows:

Previous Year	Cost Inflation Index
2001-02	100
2003-04	109
2017-18	272
2022-23	331

Q3.(B) Mrs. Surekha has earned the following income during the previous year ended on 31st March 2023. **(07)**

Particulars	Rs.
1) Income earned in India but received in West Indies	1,50,000
2) Profits from business in Germany, controlled from India	8,50,000
3) Salary earned and received in U.K.	7,50,000
4) Professional fees received in India	3,50,000
5) Income from Interest on debentures received in India from Indian Companies.	7,55,000
6) Payment received in New York, for services rendered in in Paris	1,65,000

Compute her total income for the assessment year 2023-24 assuming as follows:

When She is i) Resident and Ordinarily Resident

ii) Non-Resident

Q4. (A) Choose the correct Alternative and rewrite the sentences. **(08)**

- Jaipur University is assessable under the Income Tax Act as :
 - An individual
 - An artificial juridical person
 - A local authority
 - A Company
- Income from Business in Sikkim, controlled from Mumbai ____
 - is taxable only for resident
 - is taxable for non-resident
 - is taxable for ordinary resident and not ordinary resident
 - is exempt
- Children hostel allowance is ____
 - Exempt upto Rs. 500 per month per child, upto maximum 2 children
 - Exempt upto Rs.100 per month per child, upto maximum 2 children
 - Exempt upto Rs.300 per month per child, upto maximum 2 children
 - is fully exempt
- Unrealised rent is normally adjusted from ____
 - Gross Annual Value
 - Net Annual Value
 - Municipal Value
 - Standard rent
- The maximum exemption for leave encashment is ____
 - Rs. 5,00,000
 - Rs. 2,00,000
 - Rs. 10,00,000
 - Rs. 3,00,000
- Pension received by an retired employee is taxable under the head ____
 - Income from Salary
 - Income from House Property
 - Income from Capital gains
 - Income from Other sources

7. Which of the following will be taxable as Income from Other sources?
- Sub-letting of a house
 - Letting of a house
 - Sale of a house
 - Resale of a house

8. _____ is allowed as a deduction while computing business income
- Wealth tax
 - Income tax
 - Goods and Services tax (GST)
 - Gift tax

Q4. (B) State the following statements are True or False (07)

- Income from illegal activities is not taxable under the Income Tax Act, as it is illegal.
- Uncommuted Pension received by Government employee upon retirement is exempt from tax.
- Under Income from House Property, "Arrears of Municipal taxes" are fully deductible, on accrual basis.
- Profit on Jewellery sold, within 21 months from the date of acquisition, is to be charged as Long-term capital gains.
- Interest on Educational Loan is fully tax deductible on payment basis only.
- Gift received by an Architect from his Builder client, in the course of discharge of his profession, is taxable under the head "Income from other sources."
- Annual Value of a "Deemed to be Let out property" is always to be taken NIL.

OR

Q4. Write short notes (Any Three) (15)

- Assessee
 - Interest deduction for Self occupied property.
 - Gratuity
 - Any 5 examples of Income Exempt u/s 10
 - Section 80D
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