

Q.P. Code: 00005305

[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. TRUE OR FALSE (Attempt any 8 out of 10)**08**

1. Individual can be taxed in respect of his own income only.
2. Section 71A allows set off losses within same year.
3. TDS U/s 194H is to be deducted @20%.
4. Rent paid for plant or machinery is liable for TDS @ 10%.
5. Double Taxation speeds up globalization.
6. A non- resident Indian can claim relief u/s 91.
7. Clubbing of income aims to prevent tax avoidance by diversion of income.
8. There cannot be a loss under the head 'salaries.
9. The TDS rate u/s 194 C for payment to contractors for individual is 1%.
10. Income on which tax has been paid in foreign country is eligible for claiming relief u/s 91

Q. 1. B. Select the most appropriate alternative. (Attempt any 7 out of 10):**07**

1. An individual is entitled to an exemption of _____ in respect of income of minor child.
 - a. ₹ 150 per child
 - b. ₹ 15,000 per minor child
 - c. ₹ 1,500 per minor child
2. Clubbing of income _____ clubbing of loss.
 - a. Excludes,
 - b. Exempts
 - c. Includes
3. Long-term capital loss can be set off against _____.
 - a. Short-term capital gain
 - b. Speculative Income
 - c. long term capital gain
4. Income is earned _____.
 - a. During a year
 - b. At the end
 - c. Over a period of time
5. The amount of tax deducted is adjusted against _____.
 - a. Final tax liability
 - b. Net amount
 - c. Advance tax
6. TDS is to be deducted @ _____ U/s 194A.
 - a. 30%
 - b. 15%
 - c. 10%
7. The assessee is liable to pay _____ for every month u/s 234A.
 - a. Simple interest @1%
 - b. Compound interest @1%
 - c. penalty
8. Where the entire _____ was paid before due date for filing return of income, interest u/s 234A for delay or default in filing of return shall not be levied.
 - a. Advance Tax
 - b. Interest
 - c. Self-Assessment Tax
9. In India, a resident is taxed on his _____.
 - a. Global income
 - b. Foreign income
 - c. Total income
10. In _____ a particular income is taxed only in one of the two countries.
 - a. Unilateral relief
 - b. Bilateral relief
 - c. Exemption method

Q.P. Code: 00005305

Q. 2. A. From the following data of Ramesh, Suresh, Naresh are partners in TBZ Enterprises. **15**

Calculate the salary and interest to partners allowable under Section 40 (b) of the Income-tax Act, 1961.

Profit and Loss A/c for the year ended 31.03.2024

Particular	Amount	Particular	Amount
To Salaries:		By Gross Profit	16,25,300
a. Staff	5,50,000	By Dividend from companies	25,600
b. Partners		By Interest received on Fixed Deposit (held as 'Investment')	72,500
Ramesh	2,00,000		
Suresh	1,40,000		
Naresh	60,000		
To General Expenses	55,000		
To Depreciation on machinery	82,000		
To Rent	84,000		
To Bank Interest	22,500		
To Insurance Premium	1,55,000		
To Telephone, Printing, Postage & Stationery	42,000		
To Interest to Partners:			
Ramesh	30,000		
Suresh	22,500		
Naresh	15,000		
To Net Profit	2,65,400		
	17,23,400		17,23,400

You are further informed that:

1. Rent paid includes Partners Ramesh's personal Rent ₹ 14,000.
2. Depreciation admissible as per the Income Tax Act is ₹ 60,000.
3. Insurance premium paid for cover of Machinery is ₹ 35,000, for stock is ₹ 85,000 and the remaining is partner's personal life insurance premium.
4. General expenses include partner Suresh's children's school fees ₹ 15,000.
5. Partners are interest @15% p.a. on their on their capitals and Naresh is not a working partners.

Q.P. Code: 00005305**OR**

- Q. 2. B.** Mr. Pravin established a manufacturing unit in 2000 at Hiranandani Estate, Thane in name of M/s. Pravin S. Rao (HUF). The following is the summarized Profit and Loss Account for the year ended 31st March 2024. **15**

Particular	Amount	Particular	Amount
To Salary to Staff	4,56,789	By Gross Profit	31,76,789
To Office Expenses	2,22,222	By Dividend from Unit Trust of India	50,000
To General Expenses	2,65,000	By Interest on FD with Companies	1,50,000
To Commission	1,23,456	By Interest on Bank A/c.	80,000
To Embezzlement by an employee	3,45,678		
To Advertising	1,49,756		
To Expenditure on Scientific Research	4,40,000		
To Discount to Retailers	1,11,111		
To Preliminary Expenses written off	5,000		
To Depreciation	77,777		
To Amount Spent on physically disabled relative (95%)			
a. Nursing	1,00,000		
b. Invest in LIC's approved policy	1,00,000		
To Net Profit Trf. to Capital A/c.	10,60,000		
	34,56,789		34,56,789

- The expenditure on scientific research was rightly claimed.
 - General Expenses include a sum of Rs. 15,000 paid by Mr. Pravin toward annuity pension plan of Life Insurance Corporation of India.
 - Commission paid is for securing order for Business.
- You are required to compute taxable income of Mr. Pravin for the assessment year 2023-24.

- Q. 3. A.** Mr. Vishal furnish the following particulars of his income for the previous year 2023-24. **15**

Particular	Amount (Rs.)
House Property (Delhi)	5,00,000
House Property (Kolkota)	(-) 2,00,000
Business (Jute)	(-) 15,00,000
Business (Cotton)	18,00,000
Speculation (Shares)	2,00,000
Speculation (Silver)	(-) 5,00,000
Capital Gain (Short term):	
Land	3,00,000
Shares	(-) 2,00,000
Others Sources:	
Card Game	2,50,000
Race Horses	(-) 3,00,000

Determine Mr. Vishal's Gross Total for Assessment Year 2023-24.

OR

Q.P. Code: 00005305

- Q. 3. B.** Mr. Chandan submits the following information in respect of Assessment Year 2023-24. Calculate his Net Income. Also show losses to be carried forward.

15

Particular	Amount (Rs.)
Income from salary	40,000
Income from House Property:	
House I	25,000
House II	(-) 35,000
Income from Business:	
Business I (Non-speculative)	54,000
Business II (Non-speculative)	(-) 14,000
Income from Capital Gain:	
Long Term Capital Gains	30,000
Income from Other Sources:	
Interest on Debentures	1,000
Lottery Winning	8,000

You are also informed that:

1. He spent Rs. 1,500 are collection charges towards interest on Debentures (allowed to be deducted u/s. 57 as an expenditure).
2. He has following carried forward losses.

Particular	Year	Amount (₹)
Business Loss	2016-17	10,000
Long Term Capital Loss	2017-18	35,000

- Q. 4. A.** Assuming the total tax payable for an Individual Assessee is Rs. 12,570 and TDS is of Rs. 1,000. Calculate the Advance Tax payable on the respective due dates.

7

- B** Income of a family is as under:

8

Particular	Amount (in ₹)
Mr. Rupesh - From Business	5,50,000
Mrs. Rupesh - Salary from a school computed	5,40,000
Minor Son Ram - From interest from a company The amount for investment received from his grandfather	10,000
Minor Son Sham - from acting in a film	60,000
Minor Daughter Gita - from lottery The lottery ticket was gifted to her by her maternal uncle	1,000

Discuss in whose hands the incomes are assessable and to what extent?

OR

Q.P. Code: 00005305

- Q. 4. C.** Mr. Shyam a resident of India, has derived the following income for the previous year relevant to the Assessment Year 2023-24. **15**

Particular	Amount (₹)
Income from Profession	2,94,000
Share of income from a Partnership firm in country X (Tax paid in Country X for this income in equivalent Indian rupees ₹ 8,000)	40,000
Commission income from a Concern in Country Y (Tax paid in Country Y at 20%) converted in Indian Rupees.	30,000
Interest from Scheduled Bank	1,18,000

Mr. Shyam wishes to know, whether he is eligible for any Double Taxation relief and if so, its quantum. India does not have any Double Taxation Avoidance Agreements with Countries X & Y.

- Q. 5. A.** What are the steps to be followed for calculation of relief u/s 91? **08**

- Q. 5. B.** Distinguish between Tax Planning and Tax Evasion. **07**

OR

- Q. 5. C.** Short Notes (Any 3 out of 5) **15**

1. Tax Avoidance.
2. Remuneration to Partners.
3. Interest u/s 234A.
4. Inter-head adjustment u/s 71.
5. Double Taxation Avoidance Agreements.
