

Q.P. Code: 00006418

[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. Multiple Choice Question (Any 8 out of 10)

08

- Which of the following is classified under Income from Other Sources?
 - Interest on bank deposits
 - Income from salary
 - Profit from business
 - Rent from house property
- What is the tax treatment for casual income?
 - Taxed under business income
 - Taxed as other income
 - Taxed under capital gains
 - Tax-free
- Are gifts received from relatives taxable under Income from Other Sources?
 - Yes
 - No
 - Only above ₹50,000
 - Only if amenities are provided
- Which of these is not eligible for deduction under Section 80D?
 - Medical insurance premium for self
 - Medical insurance premium for parents
 - Hospital expenses
 - Preventive health check-up expenses
- What is deducted to arrive at gross total income?
 - Exempt income
 - Losses from business
 - Deductions under Chapter VI-A
 - All of the above
- If a taxpayer has both long-term and short-term capital gains, how are they treated?
 - They are combined and taxed at the same rate
 - Short-term gains are taxed at normal rates, long-term at a reduced rate
 - Long-term capital gains are tax-free
 - Both types are tax-free
- The maximum tax rate for short-term capital gains is:
 - 10%
 - 15%
 - 30%
 - 20%
- Which of the following is NOT a permissible deduction from total income?
 - Contributions to pension funds
 - Losses incurred from speculative transactions
 - Personal lifestyle expenses
 - Donations to charitable institutions
- When computing total income, which of the following is included?
 - Agricultural income
 - Family gifts
 - Employee Provident Fund interest
 - All of the above
- In the computation of total income, which of these is true?
 - All incomes are taxable
 - Only business income is taxable
 - Only income from salary is taxable
 - Only capital gains are taxable

Q. 1. B. State Whether True or False (Any 7 out of 10)

07

- Professionals like doctors and consultants are not subject to business income tax.
- Gross total income is the sum of income from all heads before deductions.
- Taxable income is the same as gross total income.
- Deductions can be claimed after arriving at the gross total income.
- The business income received by X Ltd. an Indian company in New York is foreign income of X.
- Tax rates for individuals are uniform across all income levels.
- Agricultural income is taxable in all cases.

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- h. A resident individual enjoys more tax benefits than a non-resident individual.
 i. The dividend received from a foreign company in India is Indian Income
 j. A firm's profits are taxed at a different rate compared to individual self-employed persons.

- Q. 2. A.** i. Sameer was born in Lahore in 1949. He has been staying in America since 1971. He came to visit India on 2.10.2013 and returns on 31.3.2024. Determine his residential status for the assessment year 2024-2025. **15**
 ii. Shane Warne, an Australian cricket player, has been coming to India since 1999-2000 every year to play cricket and has been staying here for about 4 months. What will be his residential status for the assessment year 2024-2025.

OR

- Q. 2. B.** Mr. Manoj, a citizen of India, is an export manager of Arjun Overseas Limited, an Indian Company, since 1.5.2019. He has been regularly going to USA for export promotion. He spent the following days in U.S.A. for the last five years: **15**

Previous year ended	No. of days spent in USA
31.3.2020	317 days
31.3.2021	150 days
31.3.2022	271 days
31.3.2023	311 days
31.3.2024	294 days

Determine his residential status for assessment year 2024-2025 assuming that prior to 1.5.2019 he had never travelled abroad.

- Q. 3. A.** An owns two houses, I & II. House I is let-out throughout the previous year. House II is self-occupied for nine months and let-out for three months on a monthly rent of Rs 5,000. Determine Taxable income, given the following details: - **15**

	House I	House II
Municipal Value	40,000	50,000
Fair Rent	50,000	48,000
Rent Received	48,000	15,000
Municipal Taxes paid	4,000	5,000
Insurance Premium (not yet paid)	2,000	2,500
Ground Rent	1,000	1,500
Maintenance Charges	3,000	3,500
Electricity Bill	5,000	6,000

OR

- Q. 3. B.** L&T Ltd, an existing Indian company engaged in developing and providing computer software services which sets up a new unit incurs the following expenditure in connection with the setting up of new unit. The project is complete in March 2025. Determine the amount deduction admissible u/s 35D. **15**

Particulars	Rs
Preparation of project report	2,00,000
Market Survey	6,00,000
Legal charges for additional capital for the new unit	3,00,000
Engineering Services* Blab Ltd not approved by CBDT	5,00,000
Cost of the Project as on 31/03/2025*	60,00,000
Capital employed in the new unit as on 31/03/2025	50,00,000

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- Q. 4. A.** Swan makes the following payments during the financial year 2024-25. His Gross Total **15**
Income amounts to Rs 5,00,000. Shyam asks you to calculate the deduction available under
section 80C and the taxable income for the assessment year 2024-25.

School fees of his 4 children	Rs 50,000
University fees of his wife	Rs 20,000
Life insurance for wife and kids	Rs 10,000
Life insurance for parents	Rs 15,000
Life insurance for father-in-law	Rs 10,000
NSC	Rs 20,000
Repayment of principal for house	Rs 35,000
Coaching class fees	Rs 11,030

OR

- Q. 4. B.** Pooja presents his financial data as follows the Previous Year 2024-25. Business income **15**
Rs.8,10,000, Capital Gains Rs. 3,15,000, Payment of medical insurance premium on own
life Rs. 5,000. He pays Rs. 20,000 to GIC for maintenance of his severely disabled
son under an approved scheme, He has borrowed Rs 5,00,000 as educational loan for
his younger son who pursues MBA from IIM and pays 10% interest on the loan, He
himself his severely disabled. Determine the income of Pooja for the Assessment Year
2024-25

- Q. 5. A.** What role does the number of days spent in a particular country play in determining an **08**
individual's residential status?

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

OR

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

- Retrenchment Compensation
- House Rent Allowance
- Dividends
- Computation Of Total Income
- Income of a minor child
