

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

- i. What is the incidence of tax?
 - a. The timing of tax payment
 - b. The method of tax calculation
 - c. The final burden of tax
 - d. The deductibility of tax
- ii. Which of the following is a person liable to pay tax?
 - a. An absolute owner of a property
 - b. A tenant
 - c. An unpaid worker
 - d. All of the above
- iii. Which one of these is a perquisite?
 - a. Bonus
 - b. Stock option
 - c. Salary
 - d. Commission
- iv. What is the maximum amount of gratuity exempt from tax for a government employee?
 - a. ₹10 lakh
 - b. ₹20 lakh
 - c. No limit
 - d. ₹5 lakh
- v. What will happen to the tax on income from a property that remains vacant for the whole year?
 - a. Tax is levied on the notional rent
 - b. No tax is applicable
 - c. Income from house property will be nil
 - d. Rent income will still be accounted
- vi. Which section under the Income Tax Act deals with Profit and Gains of Business or Profession?
 - a. Section 28
 - b. Section 29
 - c. Section 30
 - d. All of the above
- vii. What is the holding period for an asset to qualify as a long-term capital asset?
 - a. More than 1 year
 - b. More than 3 years
 - c. More than 5 years
 - d. More than 2 years
- viii. Which section provides deductions for certain investments?
 - a. Section 80C
 - b. Section 10
 - c. Section 70
 - d. Section 40
- ix. What is the maximum amount that can be deducted under Section 80C?
 - a. ₹1.5 lakh
 - b. ₹2 lakh
 - c. ₹50,000
 - d. ₹90,000
- x. What is the sequence in which total income is computed?
 - a. Income from other sources, salaries, house property, business income
 - b. Salary, house property, business, capital gains, other sources
 - c. House property, business, capital gains, other sources, salary
 - d. Capital gains, salaries, business income

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

07

- a. Tax incidence refers to who ultimately bears the cost of the tax.
- b. Leave encashment is fully taxable as salary income.
- c. If a property is self-occupied, it is not subject to tax.
- d. All expenses incurred for earning business income are tax-deductible.
- e. Losses from one business can be set off against profits from another business in the same financial year.
- f. Only physical assets are subject to capital gains tax
- g. Interest income from savings accounts is taxable under "Income from Other Sources."
- h. Dividends received from domestic companies are fully exempt from tax.
- i. Income from lotteries and gambling is included under "Income from Other Sources."
- x. Donations made to certain charitable organizations can qualify for deduction under Section 80G.

- Q. 2. A.** Great chappel, an Australian Citizen comes to India as the Coach of Indian Cricket team. During the Previous Year 2023-24, he stayed in India for 95 days. Before that, he was in India for more than 365 days during the 4 years prior to 2023-24. What will be his residential status for the assessment year 2024-25? **15**

OR

- Q. 2. B.** During the previous year 2023-24, X, a foreign citizen, stayed in India for just 69 days. Determine his residential status for the assessment year 2024-2025 on the basis of the following information: (i) During 2020-21, X was present in India for 366 days. (ii) During 2017-18 and 2016-17, X was in Japan for 359 and 348 days respectively and for the balance period in India. (iii) Mrs. X is „resident“ in India for the assessment year 2024-2025. **15**

- Q. 3. A.** Pranit Ltd offers a job with following options to Murli, who is neither a director nor he has substantial interest in the company: **15**

PARTICULARS	I	II
	Rs.	Rs.
Basic Salary	1,70,000	1,70,000
Bonus	6,000	6,000
Education Allowance for 2 children	10,200	--
Education facility for 2 children in an Institution maintained by the employer	--	10,200
Sweeper Allowance	10,000	--
Free Sweeper	--	10,000
Entertainment Allowance	6,000	--
Club Facility	--	6,000
Conveyance Allowance for personal use	12,000	--
Free Car Facility for Personal Use	--	12,000
Medical Allowance	18,000	--
Medical Facility for Murli and Family Members in own hospital		
Free gas, electricity and water supply	--	4,500
Fair Rent Rent-free unfurnished house:	24,000	24,000

Which option Murli must choose on the assumption that he and Pranit Ltd will both contribute 10% of salary towards unrecognized PF?

OR

- Q. 3. B.** Find out the Gross Annual Value in the following cases: - **15**

Particulars	Property				
	I	II	III	IV	V
Municipal Value	5000	5000	5000	5000	5000
Rent Received	5200	5200	5700	5700	6000
Fair Rental Value	5600	5600	5600	5800	6100
Standard Rent under	<u>NA</u>	<u>5500</u>	<u>5500</u>	<u>5500</u>	<u>7300</u>

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

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.** Sachin presents his financial data as follows the Previous Year 2024-25. Business income 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 is severely disabled. Determine the income of Sachin for the Assessment Year 2024-25 **15**

- Q. 5. A.** Explain the deduction u/s 80C of the Income Tax Act, 1961. **08**

- Q. 5. B.** Discuss the provisions of the advance Tax in the income tax Act? **07**

OR

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

- (i) Income received in India
- (ii) Control and management of a business
- (iii) Property owned by co-owners
- (iv) Capital gain
- (v) Computation of Capital Gains
