

Time: 2½ hrs.

Marks:75

- Note:
1. All questions are compulsory with internal options.
 2. Figures to the right indicate full marks.
 3. Draw neat diagram wherever necessary.

Q. 1 (A) Fill in the blanks with the correct answer from the alternatives given below. (Attempt any 8) (08)

- (1) A cooperative society is treated under income tax laws are _____.
 - a) Company
 - b) Association of person
 - c) Body of individual
 - d) An artificial judicial person
- (2) Residential status is to be determined for _____.
 - a) Previous year
 - b) Assessment year
 - c) Accounting year
 - d) Calendar year
- (3) The total income of person is determined on the basis of _____.
 - a) residential status
 - b) Citizenship
 - c) Revenue
 - d) None of the above
- (4) Deduction under section 80 DD shall be allowed up to _____.
 - a) ₹75,000
 - b) ₹125,000
 - c) ₹5,00,000
 - d) Actual expenditure
- (5) For non-government employees governed by payment of Gratuity Act 1972, the maximum monetary limit for exemption is _____.
 - a) ₹5,00,000
 - b) ₹20,00,000
 - c) ₹10,00,000
 - d) ₹1,00,000
- (6) The qualifying amount of preliminary expenses can be claimed as a deduction over a period of _____ years.
 - a) 4
 - b) 5
 - c) 8
 - d) 10
- (7) deduction under section 54 is available to _____.
 - a) Individual
 - b) HUF
 - c) Individual and HUF
 - d) All assessee
- (8) The maximum quantum of deduction by way of interest on money borrowed for construction of self-occupied house property _____.
 - a) ₹1,50,000
 - b) ₹30,000
 - c) ₹2,00,000
 - d) ₹1,00,000

- (9) The deduction under section 80 E is allowed for repayment of interest to the extent of _____.
- ₹50,000
 - ₹1,00,000
 - ₹2,00,000
 - Actual interest paid during the year
- (10) A club is treated under income tax laws as _____.
- Company
 - Association of person
 - Body of individual
 - An artificial judicial person

(B) State whether the following statements are true or false. (Attempt any 7) (07)

- AOP consist of individual only as member.
- Rent received from letting out any asset is income from house property.
- Income means any receipt in cash.
- Residential status is determined for assessment year.
- Unrealised rent is deducted from net annual value.
- Deduction under section 37(1) is allowed for expenses of capital nature.
- Amount brought to India out of past profit is taxed in the year of remittance.
- Advance against salary is taxable, but advance of salary is not taxable.
- Income received by software professional in UK from the Indian company is taxable in India.
- Charging section for business income is section 28.

Q.2 a) The following are the incomes of Mr.Binod for the previous year relevant to Assessment year 2024-25. (07)

- Income earned in India but received in the U.K. Rs 20,000.
- Income from business in Dhaka, controlled from Bombay Rs 25,000.
- Income accrued in Switzerland and received in the U.K. Rs 50,000.
- Interest credited in Bank accounts: (i) in U.K. Rs 2,000 (ii) in Dhaka Rs 3,500 (iii) in India Rs 5,000.
- Income earned in Switzerland in the past but brought to India during the year Rs 13,000.

Compute his total income assuming alternatively that Mr Binod is (i) Ordinary Resident (O.R.) (ii) Not Ordinarily Resident (NOR); (iii) Non-Resident (NR).

b) Following is the income of Mr.Hathi,a British citizen for the previous year relevant to assessment year 2024-25. (08)

- Royalties from Indian companies received Rs 28,000.
 - Dividends from British companies received in India Rs 6,000.
 - Interest credited in a bank account in Switzerland Rs 50,000.
 - Interest from bank accounts in India Rs 1,300.
 - Rent from property in the U.K. credited in a swiss bank account Rs 37,000.
- Income from business in Sri Lanka which is controlled from India, Rs 45,000. Find out his gross total income, if he is : i) Resident and ordinarily resident, ii) Resident but not ordinarily resident, (iii) Non-Resident in India

OR

- Q.2 a) Mr.Motu is working in ABC Ltd. and has given the details of his income for the P.Y. 2023-24. You are required to compute his gross salary from the details given below : (15)

| | |
|---|-------------------------|
| Basic Salary | 1,00,000 pm |
| D.A. (50% is for retirement benefits) | 80,000 pm |
| Commission as a percentage of turnover | 1% |
| Turnover during the year | 50,00,000 |
| Bonus | 4,00,000 |
| Gratuity | 2,50,000 |
| His own contribution in the RPF | 2,00,000 |
| Employer's contribution to RPF (exempt Rs 2,07,600) | 20% of his basic salary |
| Interest accrued in the RPF @ 13% p.a. (exempt Rs 95,000) | 1,30,000 |

- Q.3 a) From the following Profit and Loss Account of Mr.Chotu for the year ending 31st March, 2024 compute his business income : (15)

| Particulars | Rs. | Particulars | |
|---------------------------|-----------------|--|-----------------|
| To Office Salaries | 15,000 | By Gross Profits | 1,30,000 |
| To General expenses | 8,500 | By Interest on Bank Deposits | 4,100 |
| To Interest on Capital | 3,000 | By Interest on Company Deposits | 7,600 |
| To Bad debts reserve | 5,000 | By Refund of Income-tax for A.Y. 2020-21 | 1,000 |
| To Depreciation | 15,000 | | |
| To Advertisement | 9,000 | | |
| To Fire Insurance premium | 1,200 | | |
| To Donation | 5,000 | | |
| To Advance Income Tax | 4,000 | | |
| To GST paid | 5,000 | | |
| To Income-tax for 2022-23 | 3,000 | | |
| To Net Profit | 69,000 | | |
| | <u>1,42,700</u> | | <u>1,42,700</u> |

Additional information is given :

- (1) Allowable depreciation was Rs 10,000.
- (2) General expenses include furniture purchased worth Rs 2,500.
- (3) Office salaries include salaries paid to Mrs. Chotu Rs 3,000. Mrs Chotu , B.Com. writes the accounts of the business.
- (4) Advertisement includes Rs 2,500 for the advertisement as a souvenir of a political party.

OR

- Q.3 a) Compute Taxable Income of Mr.kalia from House Property for AY 24-25 (07)

Municipal Value Rs 50000
Fair Value Rs 60000
Standard Rent Rs 70000
Actual Rent Rs 6000 p.m
Municipal Tax Rs 2000
Interest on Loan Rs 8000

- b) Mr.Dhaval an Indian Citizen, went out of India for the first time for the purpose of his employment outside India on 1st May 2023 and came back to India on 1st December 2023. Find out his residential status for A.Y. 2024-25. (08)

Q.4 a) Mr.Patlu receives the following emoluments during the previous year ending 31-3-2024 : **(15)**

| Particulars | Rs. |
|-----------------------------|---|
| Basic Pay | 4,00,000 |
| Dearness Allowance | 1,50,000 |
| Commission | 1,00,000 |
| Entertainment Allowance | 40,000 |
| Medical Expenses Reimbursed | 10,000 |
| Professional Tax paid | 3,000 (2,000 was paid by his employer) |

Mr. Patlu contributes Rs 50,000 towards recognised provident fund. He has no other income. Determine the income from salary for A. Y. 2024-25, if Mr.Patlu is a State Government Employee.

OR

Q.4 a) Mr. Gavaskar purchased a residential house on 01-06-1999 for Rs 2,00,000. He incurred expenses of Rs 1,50,000 towards cost of improvement on 02-07-2003. The fair market value of the house on 01-04-2001 was Rs 5,50,000. He sold the house on 10-10-2023 for Rs 30 lakhs. The cost inflation index for F. Y. 2001-02 is 100, for F.Y. 2003-04 is 109 and for F. Y. 2023-24 is 348. **(08)**

You are required to compute his Capital Gain for Assessment year 2024-25.

b) Mr. Dhoni Purchased a residential flat on 02-05-2016 for Rs 10,00,000. He paid on the same day the stamp duty and registration charges of Rs 48,750 on purchase of flat. He sold the said flat on 17-03-2024 for Rs 12,00,000. The cost inflation Index for F.Y. 2013-14 is 220 and for F.Y. 2023-24 is 348. Compute his Capital Gain Chargeable to tax for assessment year 2024-25. **(07)**

Q.5 a) Explain deduction in respect of savings under section 80C **(15)**

OR

Q.5 b) Write short notes on (Attempt any 3) **(15)**

- (1) 80TTA
- (2) 80E
- (3) Gratuity
- (4) Any five example of disallowed expenses
- (5) Short term capital assets

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