

Time:3 Hours

Total Marks:100

1. All Questions are compulsory subject to internal choice.
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.

Q.1a.Re-write the following sentences by selecting the appropriate option (Any Ten) (10)

1. A new business was set up on 01-10-2022. Its first previous year will end on _____.
(a) 31-03-2023 (b) 31-12-2022 (c) 31-03-2022
2. _____ means a period of 12 months commencing from 1 day of April every year.
(a) Assessment year (b) Previous year (c) Financial year
3. Amount received as share of profit from partner as a partner is _____ from tax.
(a) Exempted (b) Allowable (c) Non-taxable
4. Clubbed income of a minor child is exempted from tax upto _____ per child.
(a) Rs. 1,500 (b) Rs.1,600 (c) Rs.1,400
5. Employer paid fees for refresher management course is _____ perquisite.
(a) Taxable (b) Non-taxable (c) Gifted
6. Municipal Rateable Value is being ascertained by _____.
(a) Municipal Corporation (b) Gram panchayat (c) All of the above
7. Income from House Properties is taxable in the hands of _____.
(a) Owner (b) Tenant (c) Broker
8. Rent received from open plot of land is taxable under _____.
(a) income from other sources (b) capital Gain (c) income from house property
9. Under Profit and Gain of Business or Profession, _____ expenses is not deductible.
(a) Donation (b) Salaries (c) Embezzlement of cash
10. Sliver asset is held by the assessee for a period of less than _____, it shall be treated as capital Assets.
short term
(a) 36 months (b) 12 months (c) 24 months
11. Tips received by a hotel waiter is taxable under the head _____.
(a) Profit and Gain of Business or Profession (b) Capital Gain (c) Income from other sources
12. Under Section 80D, Maximum amount of deduction for expenditure on preventive health check up is _____.
(a) Rs.5,000 (b) Rs.4,000 (c) Rs.7,000

Q.1. b. State whether the following statements are True or False (any ten) (10)

1. Salary received by the members of parliament is exempted from tax.
2. Deduction under section 80 C is allowed to the extent of Rs 1,40,000.
3. Casual income received by the assessee is fully exempt.
4. Conversion of personal effects into stock in trade shall be subject to capital gain.
5. Profit in lieu of salary is taxable under the head "Income from other source".
6. Net annual value of let out property can be negative.
7. A person may not have assessable income but may still be an assessee.
8. A sale of agricultural land is exempt from capital gain provided the land is situated in any rural area in India
9. Body of Individual should consist of individuals only.
10. Income from subletting of house property is taxable under the head "Income from Other sources".
11. Capital gain arises on transfer of capital asset.
12. Uncommuted pension is taxable.

Q.2.A) Mr. Mahesh Patil works with M/s Kohinoor Enterprises as a sales manager. He gives you the following information for the year ended 31st March 2023. (10)

Sr. No.	Particulars	Amount (Rs)
1	Net salary per month	25,000
2	Professional Tax deducted at source	200 per month
3	Conveyance allowance received (Amount spent Rs. 15,000)	24,000
Other information:		
4	Royalty received	50,000
5	Interest on saving bank account with Bank of Maharashtra	15,000
6	He paid towards premium on life insurance policy of his son	30,000

Compute his taxable income for the Assessment year 2023-24

Q.2.B) Mr Ranjit Parab is a physically disabled person (55% 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. (10)

Sr No.	Particulars of owned house	House 1 (Let - out) Rs.	House 2 (Self - Occupied) Rs.
1	Fair Rent	2,45,000	2,38,000
2	Municipal Valuation	2,25,000	2,35,000
3	Rent Received	3,00,000	Nil
4	Municipal Taxes paid by owner	30,000	20,000
5	Interest on Housing Loan taken for construction of house (Loan taken on 1-4-2020)	35,000	38,000
Other Information			
6	Interest accrued on NSCs		1,00,000

OR

2C. Mrs Anagha is a lecturer in MIT College, Mumbai. She furnishes you the following details: (10)

- Basic Monthly salary Rs 60,000.
- Dearness Allowance Rs 24,000 per month.
- House rent allowance Rs 10,500 p.m. (of which Rs 8,000 p.m. is exempt)

- Allowance for looking after the evening shift of the college Rs 15000 p.m.
- Examinership fees from University of Mumbai Rs 2,250 and from Baroda University Rs 1,250.
- Expenditure on books for her employment Rs 3,750.
- Professional tax deducted at source Rs 2500.
- Expenditure on attending a seminar at Goa Rs1,750 was reimbursed by College.

You are required to compute income from salaries of Ms Anagha for assessment year 2023-24

2D. Mr. Angad has occupied two houses for his own residential purposes, particulars of which are as follows : (10)

Particulars	House I Rs.	House II Rs.
Standard Rent	9,90,000 p.a	N.A.
Municipal Valuation	11,00,500 p.a	300,000 p.a
Fair Rent	10,50,000 p.a	305,000 p.a
Actual Rent	75,000 per month	Nil
Municipal Taxes paid	10,200 p.a	13,600 p.a
Repairs	20,000 p.a	14,200 p.a
Interest paid on loan taken against houses to meet his personal needs.	92,200 p.a	53,000 p.a

Compute the income from house property for Angad, for the assessment year 2023-24. House – I was let out for 10 months while House II was self-occupied.

Q3 (a) Following is the Profit & Loss Account of “M/s Aadeshwar Infotech” owned by Ms. Rutika More, for the year ended 31st March, 2023. (20)

Profit & Loss Account For the Year Ended 31st March, 2023.

Particulars	Rs.	Particulars	Rs.
To Salaries (including 2,00,000 is bonus still not paid)	6,00,000	By Gross Profit	15,50,000
To Printing Expenses	4,000	By Saving Bank Interest	16,700
To Lost by theft from office	2,900	By Interest on Bonds	30,000
To Profession Tax	2,500	By Income Tax Refund	45,000
To Office Expenses	40,000		
To Conveyance Expenses	24,500		
To Depreciation	12,000		
To Car Expenses	10,000		
To Household Expenses	4,800		
To Interest on Personal Loan	9,000		
To Interest on Capital	10,000		
To Net Profit	9,22,000		
Total	16,41,700	Total	16,41,700

Additional Information:

- 1) Depreciation as per Income Tax Rules is Rs.20,000.
- 2) 40% of car is used for personal purpose.
- 3) She contributed Rs.67,000 towards Life Insurance Premium for herself.
- 4) She invested Rs.1, 00,000 in PPF for herself

Compute the Taxable Income of Ms. Rutika More for the assessment year 2023-24.

OR

Q3 (b) Following is the Profit & Loss Account of “M/s Global Woods” owned by Mr. Govind Dure, for the year ended 31st March, 2023. (20)

Profit & Loss Account for the Year Ended 31st March, 2023

Particulars	Rs.	Particulars	Rs.
To Salaries	6,85,000	By Gross Profit	14,80,000
To Telephone Expenses	20,200	By Rent Received from Let-	
To Property Tax	10,000	out House Property	6,00,000
To Profession Tax	2,500		
To Electricity Expenses	15,500		
To Printing & Stationery	2,400		
To Depreciation	20,800		
To Repairs & Maintaince	19,200		
To Legal Expenses	15,000		
To Interest on Housing Loan	1,50,000		
To Drawings	98,000		
To Net Profit	10,41,400		
Total	20,80,000	Total	20,80,000

Additional Information:

- 1) Municipal valuation of House Property is Rs.5, 42,000.
 - 2) Repairs & Maintaince include Rs.15,000 for repairs for house property.
 - 3) 30% of Telephone Expenses incurred for residence.
 - 4) He invested Rs.85,000 in Equity Link Saving Scheme (ELSS) for himself.
 - 5) He paid Medical Insurance premium of Rs.32,000/- by cheque for himself and spouse.
- Compute the Taxable Income of Mr. Govind Dure for the assessment year 2023-24.

Q4.(A) Mr.Rajesh comes to India, for the first time, on April 10, 2020. He stays in Chennai up to April 10, 2022 and thereafter shifts to Mumbai. He departs from Mumbai for his native country USA on October 10, 2022. Determine his residential status for the assessment year 2023-24. (10)

Q4(B) Mr. Suraj shares the information of asset transferred by him during the financial year 2022-23. (10)

In December 1993, he had inherited a residential house from his father located in Goa. His father had bought the property in September 1991 for Rs. 9,78,000/-.

In November 1996, Mr. Sunny spent Rs. 8,68,000/- on the repairs and renovation of the said property

Fair Market Value of the said property as on 01.04.2001 was Rs. 25,35,000/-.

He sold the property on 16th August 2022 for Rs. 3,95,00,000/-.

2 % brokerage is payable to Mr. Desai, a real estate agent.

Out of the sale proceeds, he invested in the following assets:

- a. Purchased a New Residential house at Malad for Rs.80,00,000/- on 12.03.2023.
 - b. Invested in 3 years Bonds of National highway Authority of India (NHAI) Rs. 80,00,000/-
 - c. Balance amount was placed in Bank FDR with IDBI Bank Ltd.
- You are required to compute his capital gains liability for Assessment year 2023-2024.
(CII : 2001-02 : 100, 2021-22 : 317, 2022-23: 331)

OR

Q4.(C) Mr. Abhishek purchased a house Property for Rs 25,50,000 on 26th August 2001. (10)
 He made further improvement to the property in the financial year 2015-16 and financial year 2018-19, where he constructed first and second floor for Rs 15,50,000 and Rs 7,00,000 respectively. During the previous year 2022-23, on 8th November 2022 he sold the property for Rs 3,75,00,000, he paid brokerage of 2% on the sale value. The fair market value of the property on 1.4.2001 was Rs 26,25,000. He invested Rs 80,00,000 in REC bonds on 25-03-2023 Compute his Capital Gains for the Assessment Year 2023-24.

Relevant Cost Inflation Indices are as follows

Previous Year	Cost Inflation Index
2001-02	100
2015-16	254
2018-19	280
2021-22	317
2022-23	331

Q4(D) Mr. Suresh has earned the following income during the previous year ended on 31st March, 2023. (10)

Particulars	Rs.
1. Rent from house in Mumbai, received in Japan	5,00,000
2. Income from business in Spain, being controlled from India	3,00,000
3. Salary earned and received in Bangladesh	1,00,000
4. Professional fees received in India	8,00,000
5. Interest received from State bank of India, in Nagpur	2,00,000
6. Past untaxed profit earned outside India, brought to India	1,50,000
7. Agriculture Income earned in India received in Sri Lanka	5,00,000
8. Dividend from an American company received in Japan	1,50,000
9. Agriculture Income earned in Goa received.	2,00,000

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

- He is Resident and Ordinarily Resident
- He is Resident but not Ordinarily Resident

Q5. (a) Explain in detail Deductions available under section 16 in respect of Income from Salary (10)
 (b) Write any Five deductions under chapter VI-A from Gross total income. (10)

OR

Q5. Write short Notes on: **(Any Four)** (20)

- Exemption under Gratuity
- Conditions for Resident and ordinary resident
- Leave encashment
- Interest deduction on Let out property
- 80-DD
- Person.
