

NOV-2022

Paper / Subject Code: 13005 / Taxation - IV.(Direct Taxes-II)

TIME: 2 ½ HOURS

MARKS: 75

Please check whether you have got the right question paper.

- N.B.**
1. All questions are compulsory.
 2. All questions carry 15 marks.
 3. Figures to the right indicate full marks.
 4. Use simple calculator.
 5. Working should form part answer.

Q.1. (a) State whether the following statements are true or false. (Attempt Any 8) (08)

1. Minor child does not includes neighbour Child.
2. Clubbing of income also includes clubbing of losses.
3. Business loss cannot be set off against Salary income.
4. There cannot be loss under the head 'salary'.
5. Maximum limit of Rebate u/s 87A is Rs.50,000.
6. Company assesses are required to pay advance tax in two installments.
7. In case defective income tax return, the defect is required to be removed within 100 days.
8. Revised return can be revised for three times only.
9. Relief under section 91 is claimed when there is agreement for relief from double taxation between India and other country.
10. Double Taxation means taxing same income in the hands of two assessee.

Q.1. (b) Select the correct alternative from the following and rewrite the complete sentence. (Attempt Any 7) (07)

1. Speculation loss can be carried forward upto _____ year.
(4, 8, 6, No limit)
2. Advance tax is payable if tax liability is more than Rs. _____.
(10,000, 25,000, 15,000, 50,000)
3. Individual assesses are required to pay advance tax in _____.
(Two installments, three instalments, four installments, five installments)
4. What is the rate at which rate interest is levied u/s 234C for deferment of advance tax _____.
(1% p.m., 1.5% p.m., 1.25% p.m., Nil)
5. In case of book loss the maximum allowable remuneration to working partner will be _____.
(Rs.1,50,000; Rs.3,00,000; Rs.2,00,000; Rs.4,00,000)
6. Relief under section 91 is calculated at Indian rate of tax or foreign rate of tax, whichever is _____.
(higher, lower, equal, none of the above)
7. There cannot be 'loss' under the head _____.
(House property, Business, salary, capital gain)
8. Loss from _____ cannot be set-off.
(capital gain, house property, Business, Exempt source)
9. Non-Speculation loss can be carried forward upto _____ year.
(4, 8, 6, 10)
10. If rent is paid for land and building, TDS is to be deducted @ _____ %
(2, 10, 20, 15)

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Q.2. Calculate Advance tax payable by Mr.BK from the following estimated income for the previous year 2021-22. (15)

1. Business Income Rs.15,00,000.
2. Income From House Property Rs.16,00,000.
3. Contribution in public provident fund Rs.90,000.
4. Medical insurance premium Paid Rs. 10,000

Compute tax liability for the Assessment year 2022-23 and also compute each advance tax instalment.

OR

Q.2. Mr. RP, Aged 50 year, a Business income of Rs.30,00,000 from business outside India. Tax on foreign income is Rs.6,00,000 paid in foreign country. India does not have any agreement with that country for avoidance of double taxation. Indian income of Mr. RP is Rs. 15,00,000. He invested in LIC Rs.1,00,000 and paid interest on higher Education Loan Rs.4,00,000. You are required to calculate total income and tax payable by Mr. Q for Assessment year 2022-2023 showing relief under section 91. (15)

Q.3. Mr. AK (Age 50) is a physically disabled person (85%). He employed with R printer. He gives you the following information for the year ended on 31st March,2022. (15)

1. Basic Salary Rs.6,00,000Per annum
2. Bonus Received Rs.2,00,000 Per annum
3. Dearness Allowance is 50% of Basic Salary.
4. House Rent Allowance Rs.1,40,000 per annum. (Rs.40,000 Exempt)
5. Conveyance Allow ance Rs.1,80,000 per annum. (Amount spent on official conveyance Rs.80,000)
6. Reimbursement of medical expenses Rs.60,000.
7. Profession tax deducted Rs.2,500 per annum.

Particulars of let out house:

1. Municipal valuation Rs.40,000 per month
2. Fair rent Rs.50,000 per month
3. Standard rent Rs.60,000 per month
4. Actual Rent received Rs.90,000 per month
5. Municipal Tax paid Rs.80,000
6. Interest on capital borrowed for purchase of House paid during the year Rs.1,00,000.

Other information:

He paid life insurance premium of Rs.82,500in cash. Compute net taxable income and tax liability for Assessment year 2022-23.

OR

Q.3. Mr. VN a resident individual submits the following information for the previous year ended 31-03-2022. (15)

1. Income from Business Rs.18,00,000.
2. Income from house property Rs.1,80,000
3. Long term capital gain Rs.5,00,000.
4. Income from salary Rs.8,00,000.
5. Income from speculative business Rs.2,00,000.

Other details of losses: loss from speculative business Rs.1,00,000; Loss from House property Rs.1,00,000; Short term capital loss Rs.2,00,000; Long term capital Loss Rs.80,000. Find out the gross taxable income for the Assessment year 2022-23applying provision of set off and carry forward losses.

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Q.4. PK Ltd has actual tax liability of Rs.20,00,000 for previous year 2021-22. (15)

The company has paid advance tax as given below:

Upto 15-06-2021	Rs.1,00,000
Upto 15-09-2021	Rs.4,00,000
Upto 15-12-2021	Rs.8,00,000
Upto 15-03-2022	Rs.16,00,000

Balance amount of tax Rs.4,00,000 was paid on 15th October, 2022 while filling the return. Due date for filling of Return of Income is 30th September, 2022. Compute interest under section 234A, 234B, 234C for the Assessment year 2022-23.

OR

Q.4.K&L a partnership firm submits the following profit and loss account. (15)

Profit and loss account for the year ended 31-03-2022

Particulars	Amt. (Rs.)	Particulars	Amt. (Rs.)
To Purchases	15,00,000	By Sales	35,00,000
To Wages	10,00,000	By Dividend from	15,00,000
To Income tax paid	50,000	Indian Company	
To Sundry Expenses	50,000		
To Postage and telegram	1,50,000		
To Interest on partner's Capital @ 15%	1,50,000		
To Remuneration to Partners	1,50,000		
To Depreciation	1,50,000		
To Net Profit	18,00,000		
	50,00,000		50,00,000

Additional Information:

1. Postage and telegram include Rs.50,000 not deductible under section 37.

2. Depreciation as per income tax Rs.,1,00,000

3. Purchase includes Rs.1,50,000 onetime cash payment to one person.

Calculate the taxable income of the firm and tax liability of firm for the Assessment year 2022-23

Q.5. a. Explain inter source u/s 70 and Inter head adjustment u/s 71. (08)

b. Discuss the provision of clubbing of income of minor Child. (07)

OR

Q.5. Write short notes on (Any three) (15)

1. Returns of Loss.
2. Advance tax
3. Interest under section 234A
4. Belated Return
5. Unilateral Relief