

Dt: - 20/3/23

S.Y.B.A.F SEM- III Direct Tax



Time: 2 ½ Hours

total marks: 75

- N.B: 1) All questions are compulsory with internal choice
 2) Figures at right indicates full marks for question.
 3) Use of simple calculator is permitted.
 4) Working notes should form part of your answer.

Q1. (a) State whether the following statements are true or false (any eight) (8)

1. Every person does not have to pay Income tax.
2. Compensation received on voluntarily retirement is exempt under 10 (10C) to the maximum extent of ₹ 3,50,000.
3. Employer's contribution to statutory provident fund shall be exempt upto 12% of salary.
4. Depreciation is allowed in case of tangible assets only.
5. Income from rural Agriculture land in India is exempted.
6. Total income of a person is determined on the basis of his citizenship in India.
7. An Indian citizen may be non-resident in India.
8. Foreign income of an ordinary resident is wholly taxable.
9. Municipal tax always allowed on paid basis.
10. Gift received by lawyer from his client is income as per Income Tax Act.

Q1. (b) Match the Column (any seven) (7)

Group (A)	Group (A)
1. Depreciation	a) Allowable U/S 80c
2. Housing Loan repayment.	b) Not a Business Income
3. Salary received from Govt. by a MLA	c) Capital Asset
4. Darjeeling Sports Club	d) Not a Capital Asset
5. Uncommuted Pension.	e) Allowable as business expense
6. Residential house	f) Non-Resident
7. Interest Received.	g) Association of Person
8. Stock in Trade	h) Tax-free Perquisites
9. If set up of a company outside India.	i) Taxable as Income from Other Sources
10. Subsidised lunch	j) 33 1/3 % of Net Annual Value
	k) Taxable as salary Income
	l) No Standard Deduction Allowed

Q.2. a) Mr. Ramesh an Indian left India for the first time on 22-9-2021 for employment in U.K and did not returned India till 31-3-2022. Determine his Residential Status for the A.Y 2022-23

(7)

b) Mr. Aniket has earned the following income during the previous year ended on 31st March 2021. Compute his Gross Total Income for assessment year 2021-22 assume that he is –

- a) Resident and Ordinarily Resident.
 b) Resident but not Ordinarily resident
 c) Non-Resident

(8)

Particulars	Amount (₹)
1. Income from Agriculture in Sri Lanka .	2,00,000
2. Income from business in Nepal controlled from India.	2,20,000
3. Amount brought to India out of past untaxed profit earned in England.	2,40,000
4. Salary earned and received in Singapore.	1,20,000
5. Rent from property in France received in Mumbai.	1,40,000
6. Income from business in Nepal controlled from India.	1,60,000
7. Dividend from Japanese company, received in India.	1,80,000
8. Salary earned and received in Singapore.	2,60,000

OR

Q.2. From the following particulars of Mr. Jaish for the previous year ended 31st March, 2022 compute the income chargeable under the head 'Income from Other sources'.

(15)

Particulars	₹
Directors fees from a Company	10,000
Interest on Bank Deposits	3,000
Income from Undisclosed Sources	12,000
Winning from Lotteries (Net of TDS @ 30%)	35,000
Royalty on Books written by him	9,000
Lectures in Seminars	5,000
Interest on Loan given to Relatives	7,000
Interest on Debentures of Listed Company (Net of TDS 10%)	3,600
Interest on Post office Saving Bank scheme	500
Interest on Government Securities	2,200
Interest on Monthly Income schemes	33,000

He paid ₹ 1,000 for typing the manuscript of his book.

Q.3. Mr. Prakash Shetty purchased a house property for ₹ 15,00,000 on 5th October, 1992. He constructed a first floor during the financial year 2006-07 for ₹ 5,50,000. He made further improvement in the financial year 2021-13 for ₹ 8,00,000. He constructed 2nd floor during the financial year 2013-14 for ₹ 12,00,000. He sold the property on 1-2-2022 for ₹ 150 lakhs. He paid brokerage of ₹ 50,000 for the sale transaction. Fair market value of property as on 1-4-2001 was ₹25 lakhs on 10-3-2022.

Compute his Capital Gain for the Assessment year 2022-23

Relevant cost inflation indices are as follows:

Financial Year	Cost Inflation Index
2001-02	100
2006-07	122



2012-13	200
2013-14	220
2021-22	317

(15)

OR

Q.3. Mr. G receives the following emoluments during the previous year ending 31-3-2022: (15)

Basic pay	₹ 4,00,000
Dearness Allowance	₹ 1,50,000
Commission	₹ 1,00,000
Entertainment Allowance	₹ 40,000
Medical Expenses Re-imbursed	₹ 10,000

Professional Tax Paid ₹ 3,000 (₹ 2,000 was paid by his employer)

Mr. G contributes ₹ 50,000 towards recognized provident fund. He has no other income.

Determine the income from Salary for A.Y 2022-23, if Mr. G is a state Government Employee.

Q.4. Mr. Ajay of a partially disabled (80% disability) gives you the following information for the P.Y 2021-22

Particulars	House I (S.O.P)	House II (Let-Out)
	₹	₹
Actual rent p.m	-	60,000
Fair Rent	3,50,000	5,00,000
Municipal Valuation per annum	3,20,000	4,90,000
Municipal Taxes paid	20,000	25,000
Interest on Housing Loan (Loan taken after 1-4-1999)	1,40,000	20,000
Repairs	5,000	6,000

Other information:

1. Dividend received from co-operative society ₹ 10,000.
 2. He paid rent of ₹ 30,000 for his rented house which was subject for rent of ₹ 50,000.
 3. Saving Bank interest received from bank of Maharashtra ₹ 8,500.
- Compute Taxable income of Mr. Ajay for the assessment year 2022-23.

OR

Q.4. Mr. X owns a soap factory at Pune. Following is the Profit and Loss account prepared by him for the accounting year 2021-22 (15)

Particulars	₹	Particulars	₹
To GST (incurred during the year)	2,000	By Gross profit	75,000
To Advertising	5,000	By House Property Income	5,000
To Bonus	8,000		
To Commission	2,000		
To Depreciation	6,000		
To Donation	1,000		
To Embezzlement by an employee	2,000		
To General expenses	5,000		
To Salary to staff	10,000		
To Office expenses	5,000		



To Discount to retailers	3,000		
To Sundry expenses	5,000		
To Net Profit	26,000		
	80,000		80,000

Compute his business for the assessment year 2022-23. Further particulars-

- 1) GST paid during the year was ₹ 400. Total bonus paid during the year was ₹ 8,000 debited in the books and ₹ 11,000 provided for in preceding year but paid in current year.
- 2) Office expense include ₹ 1,050 paid as bribe.
- 3) General Expenses include ₹ 1,000 being the municipal taxes in respect of house property.

Q.5. (a) "TRANSFER" of Capital Asset as per section 2(7) of the Income Tax Act. (07)

(b) State any eight incomes chargeable to tax under the head "Profit and Gains From Business or Profession". (08)

OR

Q.5. Write a short note (any three) (15)

1. Deduction U/S 80DD
2. Scope of Income
3. Capital Asset
4. Annual Value of House Property
5. Expenses paid in cash