

SYBAF - SEM IV

SYBAF sem IV Reg Exam April - 2023

21/4/23

Total Marks: 75



Note:

1. All Questions are Compulsory carrying 15 Marks each with Internal Options
2. Q: 1(A) and Q: 1(B)
3. Q: 2(A) or Q: 2(B); Q: 3(A) or Q: 3(B); Q: 4(A) or Q: 4(B); Q: 5(A) or Q: 5(B)
4. All Sections referred to in this Paper are Sections of Income Tax Act, 1961.

Q1. A. Fill in the blanks: (Attempt any 8 out of 10)

1. Any amount paid by way of Advance Tax on or before _____ of the relevant Previous Year shall be treated as Advance Tax for the purposes of the Income Tax Act.
2. Interest u/s _____ is required to be calculated only till the end of the relevant Previous Year.
3. Tax Rate applicable to firm is _____.
4. Salary paid to Partner cannot be charged with _____ effect.
5. Loss arising from Business/Profession can be carried forward and set off for _____ succeeding assessment years.
6. Income from transferred asset is not included in Total Income of Transferor if transfer of asset is _____ during the lifetime of the Transferee.
7. For Clubbing Minor child _____ Step child.
8. Last date for filing Income Tax Return for individual not earning income from business is _____ of Assessment Year.
9. For the share to be termed as "Substantial Interest" as held by the spouse to attract Clubbing provisions in the hands of such spouse should be equal to or more than _____.

10. _____ is ethical and legal.

Q1. B. State whether the following are True or False (Attempt any 7 out of 10)

1. Interest and Remuneration should be authorized by Partnership Deed.
2. Speculation loss can be set off in the same year only against speculation profit.
3. Loss from House Property can be carried forward even if said house property is sold.
4. U/s 194C "Contract Work" is defined to include carriage of goods or passengers by any mode of transport other than Railways.
5. Clubbing Provisions are not applicable to salary earned by a Spouse from a Partnership Firm as a Partner.
6. Interest u/s 234C is payable on declared Income.
7. Association of Persons includes a Trust.
8. Interest u/s 234B is applicable on Tax on Assessed Income and not on Returned Income.
9. Interest u/s 234C is levied on shortfall in payment of Installments of Advance Tax.
10. Double Taxation arises when a person resides in one country but his Source of Income is in some other country.

Q2. A. Dr. Ravi Mehta is a medical practitioner. He furnishes details of his Income and Expenditure A/c for Year ended 31st March, 2021.

Expenditure	Amount (Rs.)	Income	Amount (Rs.)
To Rent	48,000	By Consultation Fee	3,00,000
To Electricity & Water for Dispensary	22,800	By Gift from Patients	15,000
To Household Expenses	54,600	By Interest on F.D (Gross)	30,000



To Municipal Taxes	12,000	By Interest on Debentures (Gross)	18,000
To Depreciation	12,450	By Dividend from Co-operative Bank	12,000
To Advance Tax	5,000	By Gifts from Friends on Occasion of Birthday	55,000
To Salary	21,350		
To Mediclaim Premium	4,000		
To Interest on Loan	11,200		
To Medicines Used	28,500		
To Repairs to Equipment	18,600		
To Surplus	1,91,500		
	4,30,000		4,30,000

Additional Information:

1. Depreciation allowable as per Income Tax Provisions is Rs. 16,500.
2. Interest on Loan is for amount borrowed for the purchase of debentures to extent of 20% and remaining for equipment used for profession.
3. 50% of Municipal Taxes and 25% Rent is for Residential Property.
4. Tax deducted on Interest on Debentures and Fixed Deposit is @10.30%.
5. He deposited Rs. 20,000 in Public Provident Fund A/c. This A/c is credited with interest of Rs. 8,000.
6. He invested Rs. 10,000 in N.S.C. The accrued interest on total investment in NSC is Rs. 12,600.

Compute his Total Income for Assessment Year 2022-23.



OR

Q2. B. (i) Mr. Mehta and Mrs. Mehta are working in a firm in which Mr. Mehta has a beneficial interest (i.e. more than 20% of voting power). Mrs. Mehta is employed in the firm as a finance manager. However, she does not have the necessary professional qualification for the same. She is drawing a salary of Rs. 20,000 p.m. Are the provisions of clubbing of income attracted in this case?

AND

Q2. B. (ii) Mr. Iyer gifted the debentures of ABC Ltd. to Mrs. Iyer without any consideration from her Mrs. Iyer earned interest of Rs. 10,000 on the debentures during the year 2021-22. The ITO wishes to club the interest in the hands of the transferor of debentures i.e. Mr. Iyer. Is he justified doing so?

AND

Q2. B. (iii) Explain Clubbing of Minor Income.

Q3. A. X, Y, and Z are the three partners of a firm, sharing profit and losses as 2:3:5. The Profit and Loss account of the firm for the year ending on 31st March, 2022 shows the following:

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
To Opening Stock	42,000	By Sales	42,80,000
To Purchases	15,70,000	By Closing Stock	20,000
To Business Expenses	17,14,000	By Other Business Receipts	1,32,000
To Remuneration to Partners	7,26,000		



To Interest on Partner's Capital @24% per annum.	1,80,000		
Net Profit	2,00,000		
Total	44,32,000	Total	44,32,000

Other Information:

1. The details of remuneration and interest to partners:

Remuneration to Partners:

X Rs. 1,80,000

Y Rs. 2,40,000

Z Rs. 3,06,000

Interest to partners @24% per annum:

X Rs. 60,000

Y Rs. 36,000

Z Rs. 84,000

2. Depreciation on fixed assets not provided Rs. 25,000.

3. Remuneration and Interest on Capital of Partners are as per partnership deed. Conditions of Section 184 and 40(b) are satisfied by the Firm.

Other Income and investments of the partners:

Particulars	X (Rs.)	Y (Rs.)	Z (Rs.)
Interest on Company Debentures (Gross)	1,20,000	1,15,000	1,45,000
Interest on Bank Deposits (Gross)	25,000	35,000	1,40,000
Contribution to Public Provident Fund	35,000	40,000	60,000

Determine the Tax Liability of the Firm and the Total Income of X, Y and Z for the Assessment Year 2022-23.

OR

Q3. B. (i) Mr. Sudhir aged 25 has earned the following income as follows:

- Income under the head Business/Profession Rs. 15,00,000.
- Income under the head other sources Rs. 10,00,000.

He has paid advance tax as given below:

Upto 15 th Sept. 2021	Rs. 1,00,000
Upto 15 th Dec. 2021	Rs. 3,00,000
Upto 15 th Mar. 2022	Rs. 5,00,000

You are required to compute Advance Tax Liability for the Assessment Year 2022-23 and also the shortfall/excess in each advance tax installment, if any.

AND

Q3. B. (ii) Explain Provision of Section 64(1)(ii) Remuneration received by Spouse from concern in which Individual has substantial Interest.

Q4. A. (i) Shri Janardhan, aged 48 years, files the return of income for the Assessment Year 2022-23 on 31.08.2022 declaring income of Rs. 16,95,000. Tax deducted at source is Rs. 13,200 and advance tax paid is Rs. 45,000 (on or before 15.9.2021, Rs. 15,000; on or before 15.12.2021, Rs. 15,000 and on or before 15.3.2022, Rs. 15,000). Calculate Interest u/s. 234A, 234B and 234C.

AND

Q4. A. (ii) Explain TDS on Salary u/s 192.

OR

Q4. B. For the assessment year 2022-23. Mr. Ganesh, a resident individual, furnishes the following information:

Particulars	Amount (Rs.)
Business Income	1,15,000
Income from House Property	32,000



Long term Capital Gains	2,00,000
Short term Capital Gains	4,05,000
Income from owning and maintaining race horses	2,15,000
Income from card games	1,10,000

Besides, Mr. Ganesh has the following brought forward losses/allowances.

Particulars	Amount (Rs.)
Brought forward business loss of the assessment year 2016-17	1,21,000
Unabsorbed depreciation allowance of the assessment year 2016-17	1,05,000
Long Term Capital loss in respect of the assessment year 2019-20	3,45,000
Brought forward loss from the activity of owning and maintaining race horses of the assessment year 2018-19	2,75,000
Speculation losses of the assessment year 2017-18	50,000

Determine the Gross Total Income of Mr. Ganesh for the assessment year 2022-23.

Q5. A. Answer in Brief:

1. Tax Evasion and Tax Planning.
2. Explain DTAA and Power of Central Government to enter into DTAA.

OR

Q5. B. Short Notes (Attempt any 3 out of 5)

1. TDS on payment to Contractors u/s 194C.
2. Rebate u/s 87A.
3. Speculative Losses
4. Loss Return
5. Due dates of Advance Tax and Installments of Advance Tax.