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Roll No.

MB-404(F3)

**M. B. A. (FOURTH SEMESTER)
END SEMESTER
EXAMINATION, May, 2023**

TAXATION

Time : Three Hours

Maximum Marks : 100

- Note :** (i) This Question paper contains two sections—Section A and Section B.
- (ii) Both sections are compulsory.
- (iii) Answer any *two* sub questions among (a), (b) and (c) in each main question of Section A. Each question carries 10 marks each.
- (iv) Section B consisting of case study is compulsory. Section B is of 20 marks.

Section—A

1. (a) Discuss the characteristics of income tax under the Income Tax Act, 1961. (CO1)

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(2)

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(b) What do you mean by residential status ? Explain the provisions of determining the residential status of Individual and Hindu Undivided Family. (CO1)

(c) The total income of Mr. X from business is ₹ 6,20,000 and agricultural income is ₹ 20,000. Compute the tax liability of Mr. X for the assessment year 2022-23 ?

(CO1)

2. (a) Shri Kali Charan is employed in Mumbai. He is in the grade of ₹ 36,000-1,000-44,000-2,000-60,000 since 1st January, 2013. He is paid 20% of salary as dearness allowance and ₹ 10,000 per month as HRA. He pays a monthly rent of ₹ 13,000 for accommodation. The employers contribution to RPF is 17% of the salary. A small car is provided to him by the employer. The car is used for office and personal purpose also, but the employer bears the expenses for office use only. Compute his taxable salary for the assessment year 2022-23 ? (CO2)

(3)

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(b) Explain the concept of 'exempted income'. Discuss clearly the concept of exempted income' under the Income Tax Act, 1961.

(CO2)

(c) Mr. A is a owner of house property in Mumbai which is completely let out. The house consists of two flats which have been let out at ₹ 5000 p.m. and ₹ 7000 p.m. respectively. The municipal value of the house is ₹ 96,000. The rate of municipal tax is @ 15% p.a. The house was constructed on 1 April, 2017. Mr. A took a loan of ₹ 1,00,000 @ 10% pa for constructing this house on 1 April, 2014. Interest for preceding three years was also paid but not claimed as deduction. The second flat remain vacant for 3 months during the previous year. Compute the income from house property for the assessment year 2022-23 ? (CO2)

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3. (a) Dr Gupta is a medical practitioner of Ludhiana. From the following, compute his income from profession for the assessment year 2022-23 : (CO3)

1. Gross receipt from dispensary is ₹ 2,35,000
2. Gross receipt from consultation ₹ 1,65,000
3. Operation fees ₹ 2,50,000
4. Visiting fees ₹ 50,000
5. Gifts from patients ₹ 30,000
6. Medicine purchases ₹ 1,25,000
7. Closing stock of medicines ₹ 35,000
8. Salaries paid to employees is ₹ 1,50,000
9. Surgical equipment purchased ₹ 48,000
10. Dr. Gupta went to attend a medical seminar in Germany to update his knowledge and spent ₹ 25,000 on it.
11. He owns a house whose municipal value is ₹ 50,000. Half house is used

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for profession purpose. Municipal taxes paid were 10% of municipal value and repairs were ₹ 10,000.

12. Medical books purchased (allowed depreciation is @ 40%) ₹ 30,000.

- (b) Mr. Dhruv provides the following data regarding his transactions for the sale of his residential house for the assessment year 2022-23. Compute the amount of capital gain. House purchased in the year 2001-02 of ₹ 4,50,000. House sold in November, 2021 for Rs 42,00,000.

Purchases another residential house in September, 2021 for ₹ 16,00,000. Invested in bonds of NHAI U/S 54EC in January, 2022 is ₹ 10,00,000. The cost inflation index in year 2001-02 was 100 and in 2021-22 was 317. (CO3)

- (c) Compute the income from other sources for the assessment year 2022-23 : (CO3)

1. Income from agriculture in Pakistan ₹ 5,000

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2. Ground rent for land in Rajkot is ₹ 10,000
 3. Interest on post office saving bank account is ₹ 1,000
 4. Interest on deposit with IFCI is ₹ 5,000
 5. Dividend from foreign company ₹ 700
 6. Rent from subletting a house ₹ 26,250
 7. Rent paid for sublet house ₹ 12,000
 8. Other expenses for sublet house ₹ 1,000
 9. Winnings from horse race ₹ 12,300
 10. Interest ₹ 36,000 on 10% tax free debentures (listed) of Hero Honda Ltd.
4. (a) Distinguish between deductions and exemptions ? Explain the provisions of section 80GG. (CO4)
- (b) Define 'Return of Income'. state the provisions related to voluntary return of income by different assessee. (CO4)

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- (c) Define TDS. Determine the steps involved in e-filing of return of TDS. (CO4)

5. Case Study : (CO5)

Compute the total income for the assessment year 2022-23 of Mrs Rani who is totally blind.

1. Salary received ₹ 4,10,000
2. Rent received ₹ 4,000 p.m
3. Dividend from co-operative society ₹ 2,000
4. Interest from a firm (Gross) ₹ 8,000
5. Interest from government securities ₹ 1,000
6. Winnings from lotteries ₹ 1,15,000
7. NSC VIII issue purchased during the year ₹ 10,000
8. Deposit under PPF ₹ 31,000
9. LTCG from building ₹ 2,35,000
10. Short term capital loss ₹ 20,000
11. Donation to state government for promoting family planning ₹ 40,000.

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