

**SHRI S.H.KELKAR COLLEGE OF ARTS, COMMERCE AND SCIENCE, DEVGAD.
(SINDHUDURGA)
SEMESTER-III, OCT 2023**

COURSE: Direct Taxation

CLASS: SYBBI

DURATION: 2. 30 Hrs.

COURSE CODE- UBIFSIII.

MAX.MARKS: 75

Q.1.A. Choose the correct appropriate option from the following: (any eight) (8)

- 1) Interest on deposits (not being time deposits) in a saving account with a bank deduction shall be allowed u/s. 80TTA with reference to such income not exceeding _____.
a) 5,000 b) 10,000 c) 25,000 d) 50,000
- 2) The maximum quantum of deduction u/s 80 D for senior citizen not covered Under insurance policy is Upto _____.
A) 25,000 B) 55,000 C) ₹ 50,000 D) None of the above
- 3) In case the property is owned by co-owners and it is self occupied by all co-owners. The annual value of _____.
a) Such house property be nil (b) For each co-owners shall be nil
c) Only for co-one owner will be nil (d) None of the above
- 4) Municipal Tax paid is allowed as deduction for _____.
a) SOHP only b) LOHP and DLOH d) LOHP only e) All of the above
- 5) Municipal tax is a deduction allowed on _____.
a) Accrual basis b) Payment basis c) Both (a) & (b). (d) None of the above
- 6) Gross Tax Liability is calculated on _____.
a). Gross Total Income b) Net Taxable Income c) Salary d) Income
- 7) Deduction u/s 80-C in respect of tuition fee is allowed for the purposes of: _____.
A) An individual only b) Individual of HUF
c) Any assessee d) None of the above
- 8) Deduction u/s 80-C for tuition fee shall be allowed for the purposes of: _____.
A) Any full time education in a school or college. B) Any full or part time education
C) Any part time education in a college abroad. D) None of the above
- 9) Deduction in respect of contribution for annuity plan to certain pension fund under 80 CCC is Allowed to _____.
A) Any assessee B) Individual or HUF C) Individual only D) None of the above
- 10) Deduction u/s 80 DD shall be allowed: _____.
a) To the extent of actual expenditure b) 75,000
c) 1,25,000 irrespective of actual expenditure d) None of the above

B) Match the pairs: (any seven)

(7)

Column		Column	
1	Constitution of India	A	Rs.5,00,000
2	Basic category for VRS compensation	B	An individual and/ or HUF
3	Amortization of preliminary expenses expenditure	C	Rent charge to the tenant for the house property along with charges for extra facilities and amenities
4	80C deduction is available to	D	Exceeding Rs. 50,000
5	80TTA deduction is available to	E	10,00,000
6	Composite rent	F	Disallowable as expenditure u/s 36 (1)
7	Notified amount of gratuity exempt from tax for others category	G	Section 45
8	Taxable gifts from non-relatives	H	An individual and/ or HUF
9	Insurance of premium paid in cash to cover the risk of stock and health of employees	I	Qualifying amount to be written off in 5 equal installments
10	Capital Gains	J	Parent law

Q.2A. Mr. ABG received the following from CP Ltd. As employee for the year ended 31st March, 2023.

(15)

Particulars	Amount
Basic salary [Net of Profession Tax and T.D.S.] 1-04-2022 to 31-12-2022 1-1-2023 to 31-03-2023	10,000 p.m. 15,000 p.m.
Tax deducted at source 1-04-2022 to 31-12-2022 1-1-2023 to 31-03-2023	500 p.m. 1000 p.m.
Profession Tax	2,500 p.a.
Dearness Allowance	40% of Basic Salary [gross]
Bonus received in November, 2022	20,000
Entertainment Allowance	2,000 p.m.
Amount spent on Entertainment	1,000 p.m.
Loan Received from employer for Son's Marriage	25,000
Conveyance allowance received	3,000 p.m.
Conveyance allowance spent	1,600 p.m.
L.I.C. premium on life of MR ABG paid by company	6,000
Mediclaim Insurance Paid to National Insurance. Company by Cheque by Mr ABG	15,000

He also paid 12,000 to ICICI prudential to keep in force an annuity plan policy qualifying for 80 CCC. Compute the net taxable salary of Mr. ABG for the Assessment Year 2023-24.

Or

Q.2.(P) Mr. Ashit has earned the following incomes during the previous year ended on 31st March, 2023.

(8)

Compute his Gross Total Income for Assessment Year 2023-24 assuming that he is :

- A) Resident and Ordinarily Resident
- B) Resident but Not Ordinarily Resident
- C) Non-Resident.

Sr.no	Particulars	amount
1	Income from Agriculture in Maldives	1,20,000
2	Interest from Bank Account in Singapore	1,40,000
3	Dividend on Shares of Co-operative Bank in India	1,60,000
4	Salary earned and received in Mauritius	1,80,000
5	Income from Business in Nepal controlled from India	2,00,000
6	Income received in Pakistan for services rendered in India	2,20,000
7	Interest from Bonds issued by Indian Companies	2,40,000
8	Past untaxed Profit earned outside India, brought to India	2,60,000

Q) Mr. Joseph is a French citizen (not being a person of Indian origin). Since financial year 2006-2007, he Visits India every year in the month of June for 101 days. Determine his Residential Status for the Assessment Year 2023-24.

(7)

Q.3A. Mr. Madan, a disabled as is certified by medical authority furnishes the following information regarding his house property:

(15)

	Particulars	House A	House B
1	Fair rent	40000	60000
2	Municipal valuation	55000	50000
3	Rent received	60000	-
4	Municipal tax : paid by tenant	4000	
	Paid by owner	6000	5000
5	Interest on capital borrowed for the purpose of construction of house property	6000	13000

6	Ground rent	2000	-
7	Insurance premium paid	-	1500

You are required to prepare /compute his net taxable income from house property for A.Y 2023-2024

Or

Q.3.(P) Dr. Amitabh provides the following information for the PY ended 31.3.2022. You are required to compute his net taxable income from profession for the A.Y 2022-23. (8)

INCOME & EXPENDITURE a/cc

For the year ended 31.3.22

Expenditure	Amount	Income	Amount
Salary to staff	45000	Consultation fees	250000
Laboratory Expenses	35000	Visiting fees	67000
Rent of operation room	26000	Gift from patient	5000
Purchase of medicine	15000	Sale of medicine	19000
Income tax	9000	Dividend from foreign company	30000
Motar car expenses	23500		
Membership fees	5000		
Charity & donation	12500		
Surplus	204500		
	371000		371000

• Additional information:

1. He paid Rs. 15000 to GIC for medical insurance for his wife and children.
2. Dep @ MOTAR car Rs. 14000 as per income tax rule
3. He paid LIC premium for his son Rs. 55000 by cash

Q) Mr. Karnik sold his residential house in nashik on 10/06/2022 for Rs.87,50,000. It was purchased on 7th july 2003 for Rs. 17,00,000. Expenses on transfer amounted to Rs.1,20,000.

Mr.karnik incurred expenses on improvement on old house in financial year 2015-16 of Rs.1,40,000. He invested Rs.25,00,000 for the purchase of new residential house on 31/10/2022. You Are required to compute his net taxable capital gain for the A.Y. 2023-24. Relevant CII are as under:-

2003-04	109
2015-16	254
2020-21	301
2022-23	331

(7)

Q.4.A. Mr. Vijay Parkar is partially blind (75% disability). He works with Maharashtra Furnitures. For the year Ended 31st March, 2023. He gives you following information : (15)

Particulars	Amount
Basic Salary	4,80,000 per annum
Commission Received	3,00,000 per annum
House Rent Allowance (Exempt House Rent Allowance 42,900)	1,20,000 per annum
Servant's Salary Allowance	60,000 per annum
Transport Allowance (Exempt transportation allowance 19,200)	39,600 per annum
Reimbursement of Medical Expenses	30,000
Profession Tax Deducted	2,500
Particulars of Owned House(Let Out)	
Municipal Valuation (per month)	80,000
Rent Received (per month) (House was vacant for two months)	1,00,000
Municipal Taxes Paid:	
a) By Owner	50000
b) By Tenant	10000
Interest on Capital Borrowed for Purchase Paid During the Year	120000
Interest outstanding on 31 st March, 2023	60000

Other Information :

He had taken loan from Bank of Maharashtra for higher education of his son studying for engineering Degree in Dehradun. During the year he paid 40,000 as interest on this loan. Compute his taxable Income for assessment year 2023-24.

Or

Q.4.P. Mr. Rahul Deshmukh works with the central Railway. He gives you following information for the year Ended 31st March 2023. :

(15)

Particulars	Amount
Basic Salary	50,000 per month
Dearness Allowance	15,000 per month
Received Arrears of Salary	40,000
Conveyance allowance received	7,000
Re-imbursement of medical expenses in Govt. Hospital	48,000
Profession tax deducted from salary	2,500 per annum
Other information :	
Dividend received from Bank of India	10,000
Interest Received from Government Securities	25,000
Royalty Received	60,000

- He paid by cheque mediclaim of 18,000 on health of himself, spouse and children.
- He had taken loan from SBI higher education of his son who is pursuing MBA with Mum University. During the year 2022-23 he paid 60,000 as interest on this loan.
- Compute his taxable income for the Assessment year 2023-24.

Q.5.A. Explain the theory of Direct Tax? State the history and Invention of Direct tax?

(8)

B. What the term Relative in total income means?

(7)

Or

Q.5. Write Short notes on (Any three)

(15)

- 1) Income
- 2) Profession
- 3) Standard deductions
- 4) Deduction to be made in Computing total income
- 5) Salary