

Date
05/08/2025

Time: 3 Hours

Total Marks: 100

1. All Questions are compulsory subject to internal choice.
2. Exercise internal options wherever given.
3. Figures to the right represent full marks to the question.
4. All questions should be answered w.r.t assessment year 2024-25.
5. All workings shall form part of the main answer.
6. Use of simple calculator is allowed.

Q.1 (A) Multiple Choice Questions (any ten):

(10)

1. University of Mumbai is assessable as _____ as per Income Tax Act
a) Artificial Judicial Person
b) Body Corporate
c) Association of Person
d) Company
2. The year in which income is earned is known as _____
a) Assessment Year
b) Previous year
c) Financial year
d) Taxable year
3. Leave Salary received during the period of service is _____.
a) Exempt u/s 10(10)AA
b) Exempt u/s 10(10)A
c) Taxable
d) None of the above
4. Employer's Contribution to Statutory Provident Fund is _____.
a) Exempt upto 12% of Salary
b) Exempt upto 9.5% of Salary
c) Fully Exempt
d) None of the above
5. An amount paid to a company to be used for scientific research shall be allowed a deduction equal to _____.
a) 100%
b) 125%
c) 150%
d) None of the above
6. Exemptions under Section 54 shall be available:
a) All assesses
b) Individual only
c) Individual and HUF
d) None of the above
7. CII refers to _____.
a) Cost Inflation Index
b) Cost Improvement Index
c) Cost Income Index
d) None of the above
8. Gift received by Mr. Mohan from his friend amounts to Rs. 80,000 shall be _____.
a) Exempt upto Rs. 50,000
b) Fully Exempt
c) Fully taxable as received from friend
d) Exempt upto Rs. 30,000
9. The deduction under Section 80E is allowed for repayment of interest to the extent of:
a) Rs. 25,000
b) Rs. 40,000
c) An amount of interest paid during the previous year
d) None of the above

10. The quantum of deduction of Rs. 1,25,000 under Section 80U can be claimed if a person is having a disability of _____.

- a) 30% or more
 b) 80% or more
 c) 30% to 60%
 d) None of the above

11. Interest on deposits in a saving account with a bank deduction shall be allowed under Section 80 TTA with reference to such income not exceeding _____.

- a) Rs. 5,000
 b) Rs. 10,000
 c) Rs. 25,000
 d) Rs. 50,000

12. Dhiraj has taken a house on rent and sublets the same to A. Income from such house property shall be taxable under the head _____.

- a) Income from house property
 b) Income from other sources
 c) Business Income
 d) None of the above

Q.1 (B) State whether the following statements are True or False (any ten): (10)

1. Municipal Tax can be deducted from the Gross Annual Value only when it has been paid.
2. Jewellery falls under the category of personal effects.
3. Assessment year is always of 12 months.
4. Income is calculated on the basis of receipt only.
5. Residential Status is to be determined on the basis of number of days stay in India during the assessment year.
6. ~~Past untaxed profits brought into India is always taxable.~~
7. Commuted Pension is exempted in the hands of both government & non-government employees.
8. Employee's Contribution to Recognised Provident Fund is exempt upto 12% of Salary.
9. Provision for Taxation is an disallowed expenditure while computing income from business and profession.
10. Amount spent on entertainment can be claimed as deduction under section 16(ii) by all assessee.
11. Assessment includes Reassessment.
12. The Quantum of maximum deduction allowed under section 80E is Rs. 50,000.

Q.2(A) Mr. Manish is employed with M/s Ashayein Inc. He gives you the following information for the previous year 2023-24. (10)

1. Basic salary Rs. 6,00,000 per annum.
 2. Bonus received Rs. 1,00,000.
 3. Dearness Allowance Rs. 1,50,000 per annum.
 4. Entertainment allowance Rs. 50,000 per annum.
 5. House Rent Allowance Rs. 70,000 per annum (exempt Rs. 28,000).
 6. Uniform allowance Rs. 16,000 per annum.
 7. Profession tax paid Rs. 2,500 per annum.
 8. Interest received from government securities during the year 2023-24 Rs. 10,000.
 9. He had taken a loan from bank for higher education of his daughter. He paid Rs. 1,50,000 as interest on this loan.
 10. Medical insurance paid in cheque Rs. 20,000.
- Compute his taxable income for the Assessment Year 2024-25.

Q.2(B) Mr. Kailash is a lecturer in Vidyalankar College, Nasik. He gives you the following information for the previous year 2023-24. (10)

1. Monthly salary Rs. 70,000.
2. House rent allowance Rs. 5,000 p.m. (of which Rs. 2,000 p.m. is exempt).
3. Examiner fees received from college Rs. 70,000 per annum.
4. Examiner fees received from Pune University Rs. 40,000 and from Mumbai University Rs. 15,000. During the previous year 2023-24
5. Expenditure on books for his employment Rs. 10,500.
6. Profession tax paid Rs. 2500.
7. Royalty received from Marvel publications for writing books Rs. 40,000. Expenses incurred on writing manuscript of this book Rs. 8,000.
8. LIC premium paid Rs. 1,00,000.

Compute his taxable income for the Assessment Year 2024-25.

OR

Q.2 (C) Mr. Anil, gives you the following information for the previous year 2023-24. (10)

Particulars	House 1 (SOP)	House 2 (LOP)
Actual Rent per month	-	80,000
Fair Rent per annum	4,00,000	7,00,000
Municipal valuation per annum	3,50,000	6,80,000
Municipal taxes paid	40,000	50,000
Interest on housing loan (Loan taken after 01-04-1999)	1,20,000	50,000

Other information:

1. Winning from lottery during the year 2023-24 Rs. 1,00,000.
2. Director sitting fees received Rs. 80,000.
3. Invested in National Saving Certificates VIII issue Rs. 1,50,000.

Compute his taxable income for the Assessment Year 2024-25.

Q.2 (D) Mr. Chaitanya a severely physically disabled (85%) is employed with Plum Industries. He gives you the following information for the previous year 2023-24. (10)

1. Basic salary Rs. 60,000 p.m.
2. Dearness allowance at 20% of basic salary.
3. Profession Tax paid Rs. 2,500.
4. House rent allowance Rs. 1,600 p.m. (fully taxable).
5. Perquisite value of Gas, Water and Electricity Rs. 5,000.
6. He owned a residential house which was used for his own residence. Fair rent Rs. 1,00,000 and Municipal Valuation Rs. 1,20,000.
7. He spent the following amount during the year:
 - a. Municipal tax paid Rs. 12,000.
 - b. Insurance of property Rs. 4,000.
 - c. Interest on housing loan Rs. 80,000.

8. He paid Rs. 10,000 by credit card for medical insurance of himself.

Compute his taxable income for the Assessment Year 2024-25.

Q3.(A) Mr. Rudra furnishes you the following information for the year ended 31-03-2024. (20)

Profit and Loss Account for the Year ended 31st March, 2024

Particulars	Amount	Particulars	Amount
To Salaries	160000	By Gross Profit	700000
To Printing and Stationery	25000	By Winning from Lotteries	15000
To Conveyance	30000	By NSC Interest Accrued	10000
To Rent	24000	By Dividend from Indian Company	10000
To Entertainment Expenses	15000		
To Advertisement Expenses	45000		
To Depreciation	32000		
To Advance Income Tax	10000		
To Embezzlement by an employee	2000		
To Drawings	28000		
To Staff Welfare Expenses	65000		
To Net Profit	299000		
TOTAL	735000	TOTAL	735000

Other Information:

1. Depreciation allowable as per Income Tax Rules is 35,000.
2. Half of the Rent is attributable towards his residential flat.
3. Staff Welfare expenses include 15,000 incurred for medical treatment of his physically handicapped brother.
4. He spent 100 for purchase of lottery tickets, debited to Drawings.

You are required to compute his total taxable income for the Assessment Year 2024-25.

OR

Q.3 (B) Mr. Arnav provides the following information for the previous year ended 31st March, 2024. You are required to compute his net taxable income for the Assessment Year 2024-25.

Profit and Loss Account for the Year ended 31st March, 2024

Particulars	Amount	Particulars	Amount
To Salaries	2,80,000	By Gross Profit	8,50,000
To Rent	1,60,000	By Discount Received	50,000
To Staff Welfare Expenses	20,000	By Rent from House Property	3,00,000
To Municipal Tax paid for House Property	10,000		
To Interest on Loan for House Property	30,000		
To Repair Expenses	40,000		
To Advertisement Expenses	25,000		
To Medical Insurance Premium	32,000		
To Depreciation	60,000		
To Life Insurance Premium	90,000		
To Net Profit	4,53,000		
TOTAL	12,00,000	TOTAL	12,00,000

Additional Information:

1. Repair expenses include repairs to house property 18,000.
2. Depreciation allowed as per Income Tax Rules is 56,000.
3. Medical Insurance Premium is paid for his dependent father, who is a senior citizen.
4. Life Insurance Premium is paid for his unmarried daughter, who is not dependent on him.

Q. 4(A) Mr Pankaj provides the following particulars of assets transferred by him during the previous year ended 31st March, 2024. You are required to compute his Income from Capital Gains chargeable to tax for Assessment Year : 2024-25.

A residential house in Mumbai, which he inherited from his father in December 2001 and was sold on 7 February, 2024 for Rs.88,00,000. His father had bought this house in February 2001 at a cost of Rs.7,00,000 and its Fair Market Value on 1st April 2001 is Rs.7,00,000. In connection with the sale of the house, he was required to pay commission of Rs.3,00,000 and stamp duty of Rs.4,00,000

Mr Pankaj made the following investments out of the capital gains arising on sale of his residential house –

- (i) Purchased a residential flat in Jaunpur on 27 February, 2024 for Rs.37,00,000.
- (ii) Purchased 3 year bonds issued by National Highway Authority of India (NHAI) for Rs.13,00,000 on 3 March 2024.

Cost Inflation Index for FY 2001-02 = 100; FY 2023-24 = 348

Q.4.(B) Mr. Tesala is a citizen of USA. The following are the details of his visit to India during past 8 years (10)

Previous Year	No. of days stay in India
2016-17	99
2017-18	119
2018-19	115
2019-20	187
2020-21	135
2021-22	60
2022-23	193
2023-24	179

Determine his residential status for the Assessment year 2023-24.

OR

Q.4.(C) Ms. Partiksha provides the following particular of assets transferred by him during the previous year ended 31st March 2024. You are required to compute her income from capital gains chargeable to tax for Assessment year 2024-25.

A residential house in Bordi was purchased on 12th October, 2003 at a cost of Rs. 19,00,000.

She incurred expenses on improvement of Rs 2,00,000 on the above house during the financial year 2011-12. She sold the above house on 17th January, 2024 for Rs 1,05,00,000.

She incurred transfer of expenses of Rs 7,00,000 on the sale transaction. She has purchase new House on 1 February 2024 for Rs. 12,00,000.

She purchased 5 year bonds issued by Rural Electrification Corporation (REC) for Rs 24,00,000 on 21th February, 2024. (10)

Financial Year	Cost Inflation Index
2003-04	113
2011-12	184
2023-24	348

Q.4(D) Mr Vilekar has earned the following incomes during the previous year ended on 31st March, 2024. Compute his Gross Total Income for Assessment Year 2024-25 assuming that he is - 15

- (a) Resident and Ordinarily Resident
(b) Resident but Not Ordinarily Resident

Sr No	Particulars	Amount Rs.
1	Income-business in Germany, controlled in India	3,00,000
2	Interest earned & received in India	4,00,000
3	Royalty from Indian Companies	3,50,000
4	Rent from house in Pune, received in singapore	1,80,000
5	Payments received in Saudi, services in Manmar	1,50,000
6	Past untaxed profits, brought to India	1,00,000
7	Income from Agriculture in Sri Lanka	1,45,000
8	Salaries earned & received in India	2,90,000

Q.5 (A) Define Capital Asset. Explain the conditions as to when capital gain arises with suitable examples. (10)

Q.5 (B) Explain Annual Value with reference to Self-Occupied Property and Let Out Property with suitable examples. (10)

OR

Q.5 (C) Write Short Notes (any 4) (20)

- Allowances under the head of Salary
- Deemed to be Let out Property
- Deduction u/s 80E
- Distinguish between Assessment year and Previous year.
- Explain any five Disallowable Business Expenditure
- Representative Assessee
