

Total No. of Printed Pages: 3

T.Y.B.Com Semester V (CBCS) Ordinance

EXAMINATION APRIL 2024

Accounting Major 1 : Income Tax & Goods and Service Tax

[Time: 2:00 Hours]

[Max. Marks: 80 ]

**Instructions:**i. Question 1 is compulsory

ii. Answer any three questions from Q. No. 2 to Q. No. 6

iii. Figures to the right indicate marks allotted

iv. Show important working notes as fair work

- Q1 A. Mr. Dexter, a resident individual in India, aged 69 years of age, provides the following particulars of his income during the Previous Year 2022-23. 5
- i. Gross Total Income ₹11,00,000
  - ii. Deduction u/s 80 C ₹1,50,000
- Calculate the Tax Liability under Normal Tax Regime for the Assessment Year 2023-24
- B. Mrs. Gulzar, a resident in India received the following gifts during the Previous Year 2022-23. 5
- i) Cash gift from her childhood friend on her marriage ₹60,000
  - ii) Cash gift from cousin brother of her father-in-law ₹30,000
  - iii) Cash gift of ₹2,00,000 from her grandmother.
  - iv) Cash gift of ₹35,000 from her neighbor on the occasion of house warming.
- Calculate the gifts chargeable to tax for the Assessment Year 2023-24
- C. The Gross Total Income of Mr. Dilip (45 years), a resident individual for the Previous Year 2022-23 is ₹7,80,000. 5
- During the year he made the following payments:
- a. Insurance Premium (paid by debit card) on the health of self, spouse (45 years) and two minor children ₹20,000.
  - b. Preventive health checks up on the health of his spouse in cash ₹6,000.
  - c. Insurance Premium on the health of his dependent father (70 years of age) ₹60,000 and on the health of his dependent uncle ₹10,000. Premium is paid by debit card. Calculate the amount of deductible u/s 80D for the Assessment Year 2023-24.
- D. Mr. Celso, a registered dealer from Ponda, Goa is engaged in the sale of a product "H" in the state of Goa. The following details relate to the month of February 2024: 5
- He has purchased raw materials for the Product "H" from a dealer in Margao, Goa at ₹10,00,000 (excluding GST @ 12%). He makes a value addition of 30% after which he sells the Product "H" in various cities in Goa.
- Calculate the amount of GST Payable for the month of February 2024.



- Q2 Mr. Vance, a resident individual, 53 years of age (suffers from a permanent disability of 85 %) is the owner of two houses. The following are the details of the house properties for Previous Year 2022-23. 20

Particulars	House A	House B
	₹	₹
Nature of Occupation	LOP	SOP
Municipal Valuation	9,10,000	14,20,000
Fair Rent	9,00,000	13,80,000
Standard Rent	8,46,000	24,00,000
Annual Rent	15,60,000	----
Unrealised rent (conditions of Rule 4 are satisfied): 2022-23	34,000	----
Fire Insurance	8,000	36,000
Loss due to Vacancy	2,60,000	----
Municipal Tax paid	50,000	1,40,000
Repairs	90,000	1,00,000
Interest on capital borrowed for construction of the house (all conditions fulfilled, date of borrowing: 1.4.2019)	1,24,000	2,80,500

Additional Information:

1. Computed Income from "Salaries" ₹7,20,000 and Computed Income from part time Business ₹3,80,000
2. During the year he made the following donations by cheque:
  - i. Prime Minister's National Relief Fund ₹8,000
  - ii. National Blood Transfusion Council ₹6,000
  - iii. Zila Saksharta Samiti ₹5,000
  - iv. Rajiv Gandhi Foundation ₹6,000
3. During the year he paid ₹51,000 towards medical treatment of his dependent brother with 50% disability.

Compute the Net Taxable Income and calculate tax liability for the Assessment Year 2023-24.

- Q3 A. Ms. Mili, a resident individual in India, 55 years of age, provides the following details of her income received during the Previous Year 2022-23. 15
- a. Income from undisclosed sources ₹25,000
  - b. Winnings from Horse Races (Net) ₹1,40,000, Tax Deducted at Source (TDS) ₹20,000
  - c. Royalty received (lump sum) received for writing a book on English Literature ₹3,20,000.
  - d. Interest on 5% Debentures in Tiffi Ltd. ₹30,000 (Gross). Interest on capital borrowed to invest in these debentures is ₹12,000.
  - e. Dividend received from foreign Companies (Gross) ₹24,000, Bank charges ₹500
  - f. Income from agricultural activity from land in Nepal ₹24,000



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- g. Interest credited to Unrecognized Provident Fund ₹10,000
- h. Interest from the Government on enhanced compensation for acquisition of land ₹48,000
- i. Interest received on Post Office Savings Bank Account (joint account with spouse) ₹15,000
- j. Interest on Savings Account with Central Bank of India ₹2500
- k. Computed Income from Salaries ₹8,50,000 and from Business ₹5,20,000 Compute the Net Taxable Income of Ms Mili for the Assessment Year 2023-24

- B. Mr. Ken, a resident in India, provides the following details of his residential House property. On 16th December 2022, Mr. Ken sold a residential house property for ₹1,00,00,000 which was purchased by him in February 2000 for ₹3,00,000. The Fair Market Value of the property on 1st April 2001 is ₹5,25,000. He made the following investments out of the capital gain arising on the sale of his residential house: 5

- i. Purchased a residential flat in Delhi on 3rd March 2023 for ₹40,00,000
- ii. Purchased Rural Electrification Corporation (REC) Bonds for ₹20,00,000 on 11th March, 2023.

(Cost Inflation Indices: 2001-02: 100, 2022-23: 331)

Compute Capital Gains chargeable to tax for the Assessment Year 2023-24

Q4 Answer in short any four of the following:

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- a. Pre-Construction Period and Pre-Construction Interest in relation to House Property
- b. Indexed Cost of Acquisition and Indexed Cost of Improvement
- c. Deduction u/s 80 U of the Income Tax Act, 1961
- d. Items disallowed u/s 58 while computing Income from other Sources
- e. Definition of 'Goods' and 'Services' under Goods and Service Tax

Q5 Answer in short any four of the following:

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- a. Steps to calculate Gross Annual Value of a house property
- b. Deduction u/s 80 RRB of the Income Tax Act, 1961
- c. Payment of Advance Tax on assesses own account
- d. Return filed beyond time u/s 139 (4) of the Income Tax Act, 1961
- e. State five benefits of Goods and Service Tax.

Q6 Answer in short any four of the following:

20

- a. Definition of Capital Asset u/s 2(14) of the Income Tax Act, 1961
- b. Deduction u/s 80 GG of the Income Tax Act, 1961
- c. State the provisions of Inter-Head adjustment u/s 71
- d. E-Way Bill
- e. Define 'Business' under Goods and Service Tax