

2023

TAXATION – I — GENERAL

Paper : CC-4.1-Cg

Full Marks : 80

*Candidates are required to give their answers in their own words
as far as practicable.*

The figures in the margin indicate full marks.

Group - A

1. Ratan left India for the first time on 31st December, 2018. He visited India during the P.Ys 2019-20, 2020-21 and 2021-22 for 80 days, 75 days and 100 days respectively. He came to India on 2nd July, 2022 and left India on 30th August, 2022. Determine the residential status of Ratan for the Assessment Year 2023-24. 5
2. Write short notes on : 2+3
 - (a) Previous year
 - (b) Heads of Income.

Or,

State which of the following incomes are agricultural income :

- (a) Income from growing flowers and creepers.
- (b) Profit earned from the sale of wild grass of spontaneous growth.
- (c) Interest on capital received by a partner from the firm engaged in agricultural operations.
- (d) Income from land used for brickmaking.
- (e) Dividend received by a shareholder from a company engaged in agricultural activities.

1+1+1+1+1

3. Mr. Kohli (aged 35 years) pays health insurance premium on the health of the following persons during the previous year 2022-23 :

Particulars	Amount (₹)
Self	10,000
Dependent brother	5,000
Spouse	8,000
Son	4,000
Father (62 years)	24,000
Mother (59 years)	16,000

Calculate the amount of deduction u/s 80D for the assessment year 2023-24.

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4. From the following information, compute the value of accommodation of Mr. Pal for the P.Y. 2022-23 :

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- (a) Basic salary ₹ 30,000 p.m.
- (b) Dearness Allowance ₹ 10,000 p.m. (forming part of salary).
- (c) Bonus ₹ 20,000.
- (d) Medical allowance ₹ 2,000 p.m.
- (e) Children hostel allowance ₹ 500 p.m. per child (He has three children).
- (f) He is provided with an accommodation in Kolkata owned by employer.
- (g) The house is furnished at a cost of ₹ 1,50,000.

Or,

Discuss the deductibility of interest on borrowed capital for computation of income under the head Income from House Property.

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Group - B

5. (a) Discuss when the income of a minor be included in the income of parents.
(b) From the following information, calculate deduction allowable u/s 80GG of Mr. M for the Assessment Year 2023-24 :

Business Income – ₹ 2,80,000.

Dividend received from ITC Ltd. – ₹ 30,000.

Deduction u/s 80C – ₹ 20,000.

Rent paid by Mr. M for the house occupied for his residential purpose in Delhi ₹ 3,500 p.m.

Neither he nor his wife or children owns any house in Delhi. 5+5

Or,

From the following particulars of Mr. Saha for the P.Y. ending 31.03.2023, compute total income for the A.Y. 2023-24 and losses to be carried forward. 10

Income from cotton business – ₹ 1,60,000

Loss from automobile business – ₹ 1,00,000

Loss from house property in Kolkata – ₹ 65,000

Income from house property in Delhi – ₹ 60,000

Loss from speculative business – ₹ 1,10,000

Income from salary – ₹ 75,000

Short-term capital loss on gold – ₹ 1,00,000

Long-term capital gain on building – ₹ 80,000

Long-term capital loss on land – ₹ 70,000.

6. (a) Write a short note on long-term capital assets as per Income Tax Act, 1961.
(b) Mr. Z, a resident of Kolkata, sold his house on 31.08.2022 for ₹ 30,00,000. He had purchased this house on 12.06.2004 for ₹ 1,80,000 and had spent ₹ 1,10,000 on improvement of the house during the year 2011-12. He purchased a new house on 1.12.2022 for ₹ 15,00,000. Compute taxable capital gains in the hands of Mr. Z for the Assessment Year 2023-24. 3+7
[CII : 2004-2005 – 113, 2011-2012 – 184, 2022-23 – 331].

Or,

- (a) Mr. P submits the following particulars of his income and outgoings for the year 2022-2023 :
- (i) Dividend received from XYZ Ltd., an Indian co., ₹ 4,000, commission charged by the bank for collecting dividend ₹ 500.
 - (ii) Dividend from a foreign company ₹ 15,000.
 - (iii) Winnings from lottery (net after tax @ 30%) ₹ 8,400.
 - (iv) Income from subletting a house at ₹ 6,000 p.m. which was actually taken at a rent of ₹ 3,500 p.m.
- Compute his income from other sources for the previous year 2022-2023.

(b) From the following particulars of a manufacturing concern, compute admissible depreciation for the previous year 2022-23 :

- (i) WDV of Plant A and B as on 01.04.2022 (depreciation rate 15%) ₹ 3,00,000
- (ii) Cost of Plant C purchased on 01.01.2023 (depreciation rate 15%) ₹ 2,00,000
- (iii) Plant A was sold for ₹ 90,000.
- (iv) Additional rate of depreciation 20%.

5+5

7. Mr. Das is the owner of two houses, the particulars of which for the previous year 2022-23 are as follows :

Construction completed on How used	House No. 1	House No. 2
	30.09.2020 Let out for residence	31.12.2021 Self-occupied for residence
	₹	₹
Municipal value	42,000	41,500
Rent received	40,000	—
Fair rent	45,200	4,800
Interest on loan	6,800	2,800
Vacancy period	2 months	—

Municipal tax— 10% of municipal value.

Compute his income from house property for the assessment year 2023-24.

7+3

Group - C

8. Mr. Mallik is the employee of ITC Ltd. He furnished the following particulars of his income for the previous year 2022-23. Compute his income from salary for the assessment year 2023-2024. 15

- (a) Basic salary ₹ 20,000 p.m.
- (b) Dearness Allowance 30% of basic salary (forming part of salary).
- (c) Medical allowance ₹ 500 p.m.
- (d) He and his employer both contributes @ 14% of salary towards a Recognised Provident Fund and interest credited to RPF @ 11% p.a. amounted to ₹ 5,500 during the previous year.
- (e) Children education allowance ₹ 180 p.m. for each of three children.
- (f) He is also given a 1.8 litres cubic capacity self-driven car for both personal and official purpose. Entire expenses are borne by the company.
- (g) He is provided by his employer with free gas and electricity costing ₹ 10,000 for private use.
- (h) He has taken an interest-free loan of ₹ 20,000 from his employer for purchase of a colour TV set, rate of interest charged by SBI is 10% p.a.
- (i) He paid ₹ 2,000 towards professional tax and his employer paid ₹ 15,000 as insurance premium on his life.

Or,

- (a) Mr. Ram, an employee of XYZ Ltd. retired on 31.12.2022 after serving 28 years 7 months, received ₹ 13,00,000 as gratuity. At the time of retirement his basic salary was ₹ 42,000 per month and DA was ₹ 16,000 per month. Compute taxable gratuity of Mr. Ram for the assessment year 2023-24 on the assumption that XYZ Ltd. is covered under the Payment of Gratuity Act, 1972.
- (b) Mr. Sen retired on 30.04.2022 from ABC Ltd., a private company. He was entitled to a pension of ₹ 5,000 p.m. At the time of retirement he commuted 60% of the pension and received ₹ 1,20,000 as commuted value of pension. Compute the taxable pension and taxable commuted value of pension for the A.Y. 2023-24 if— (i) he is entitled to gratuity, (ii) he is not entitled to gratuity.

7+8

9. Mr. Basu is a practising Chartered Accountant at Kolkata. From the following Receipts and Payments Account, compute income from profession for the Assessment Year 2023-2024. 15

Receipts	Amount (₹)	Payments	Amount (₹)
To Balance b/f	2,50,000	By Professional expenses	15,000
” Professional Receipts	8,00,000	” Salary to staff	2,50,000
” Salary from college as a Guest lecturer	60,000	” Office expenses	6,000
” Income from accounting work	50,000	” Motor car expenses	1,00,000
” Examiner’s remuneration	30,000	” Purchase of car on 01.09.2022	2,00,000
” Interest from bank fixed deposit	15,000	” Donation to Ramkrishna Mission	5,000
		” Household expenses	10,000
		” Purchase of Professional Books on 02.05.2022	50,000
		” Balance c/d	5,69,000
	12,05,000		12,05,000

Other Information :

- (a) $\frac{1}{4}$ th of the motor car expenses related to personal use.
- (b) Depreciation allowable on motor car as per I.T. Rules ₹ 30,000.
- (c) Depreciation to be charged on professional books @ 40%, on motor car @ 20%.
- (d) Included in the salary ₹ 12,000 paid to Mr. Basu’s son who never attended the business.