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LA—109—2023

FACULTY OF COMMERCE

B.Com. (First Year) (First Semester) EXAMINATION

NOVEMBER/DECEMBER, 2023

TAX PROCEDURE AND PRACTICE

Paper-TPP-II

(Indian Tax System & Income Tax Law-I)

(Wednesday, 13-12-2023)

Time : 10.00 a.m. to 1.00 p.m.

Time—3 Hours

Maximum Marks—75

1. Mr. Arun is an employee of Shriram Enterprises providing information of income from salary for the previous year 2022-23 : 20
- Basic Salary 60,000 pm
- D.A. (Conditional) 30,000 pm
- Bonus 2 months salary
- Daily Allowance 300 pm (Amount Saved 200 pm)
- Education allowance 500 pm
- Medical allowance 300 pm
- Company provided Big car (use POPP)

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HRA 10,000 pm (Rent paid by Employee Rs. 4,000 pm)

Commission 2% (Sales effected by Employee is 50,00,000)

Travelling Allowance 3,000 pm (Amount spent Rs. 1,000 pm)

Deputation Allowance 2,000 pm for 3 months

Company paid incentives for better performance of Rs. 50,000

Medical Bill of Employee father surgery paid by company of Rs. 15,000

Lunch facility provided for 260 days @ 80 per plate incurred by company and Rs. 20 recovered from Employee

He paid profession tax of Rs. 2,500

Compute income from salary for AY 23-24.

2. Mr. Arjun is an Income Tax officer at Agra. He owns a house at Agra which was constructed on 1st February, 2019 and was occupied by him for his own residence. He took a loan of Rs. 7,00,000. On 1st August, 2018 @ 12% p.a. Interest for the construction of his house. Nothing has been rapid out of his loan. 15

Other information in respect of the house is as under :

Municipal Tax	10% of the above
Municipal Valuation	26,000 pm
Repairs	7,000 Pa
Interest on Loan	84,000

The Municipal tax of the Agra house is unpaid.

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Mr. Arjun was transferred to Kolkata on 1st October, 2022 where he resides in a house taken on a rent of Rs. 25,000 per month and his house at Agra was let on 1st December on a rent of Rs. 30,000 per month.

Compute Mr. Arjun's taxable income from house property for the Assessment Year 2023-24.

Or

Mr. Madhav is the owner of three houses which he uses for his residential purposes. He submits the following information in respect of these houses for the previous year 2022-23 :

	I House	II House	III House
Municipal value	4,000	10,000	20,000
Fair Rent	5,000	12,000	30,000
Municipal taxes paid	500	1,500	2,000
Fire insurance premium	100	200	300
Interest on loan taken for the construction of the house	3,000	15,000	50,000

Mr. Madhav which houses he should opt for self-occupation concession ?

Compute income from house property for the AY 23-24.

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3. Mr. Ram purchased a residential house in the year 1976 for Rs. 1,50,000.

He spent the following amount on the improvement to the house : 15

- (a) Renovation to the house in 1999 Rs. 3,00,000
- (b) Adding two Rooms at the cost of Rs. 2,00,000 in 2010-11
- (c) Cost of 1st floor constructed in 2011-12 Rs. 3,20,000
- (d) Fair market value of the house on 1st April 2001 Rs., 12,20,000.

He sold the above house in the year 2022-23 at Rs. 63,00,000 the selling expenses incurred Rs. 20,000 in the same year :

The cost inflation index for the year :

2001-2002	100
2010-2011	167
2011-2012	184
2022-2023	331

Compute his income from capital gain for the assessment year 2023-24.

Or

Mr. Sachin transfer his Natural Photography during the year for Rs. 64,00,000 which gifted by his grandfather in the year of 2012-2013 whose fair market value is Rs. 20,00,000. During the year 2019-20 he had incurred Rs. 5,00,000 for Silver frame. He was incurred expenses of Rs. 1,50,000

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for advertisement and exhibition. Compute income from capital gain for the AY 2023-24 :

Cost Inflation Index :

2012-13	200
2022-23	331

4. Mr. Vijay is working as manager of a limited company in Mumbai City. His salary particulars for the previous year relevant to the current assessment year are : 15

Salary : 60,000 p.m. Bonus : 30% of Basic pay, Commission : 50,000 p.a. D.A. : 20,000 p.m. (enters for retirement benefit), Conveyance 20,000 p.m. 45% is spent for discharging official duties. Meals allowance 30,000 p.m. He has been provided with a rent-free accommodation. Also provided furniture the original cost of furniture provided is 75,000. Written down value 60,000. He has also been provided by the company with facility of free use of water and light for which company paid 80,000 during the previous year. Company contributed 15% pa to RPF. Company also provided Big Car (use POPP).

Compute income from salary for the AY 23-24 :

Or

Compute Tax Liability of Mr. Amar whose income is 1,45,00,000 from old & new regime.

P.T.O.

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5. Solve any *two* :

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- (a) Compute tax liability of Mr. Arjun when his Income for PY 22-23 is Rs. 95,20,000/- (Assuming assessee has not opted section 115BAC).
- (b) Compute tax liability of Miss. Mansi when her income for PY 22- 23 is Rs. 45,90,000/- (Assuming assessee has opted section 115BAC).
- (c) Types of capital gain and explain requisite of rent free house.
- (d) Define Capital Asset and Urban Agriculture land.

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