

SOMAIYA

VIDYAVIHAR UNIVERSITY

Dr. Shantilal K. Somaiya School of Commerce and Business Studies

QUESTION PAPERS

BRANCH: Bachelor of Business Management	SEM: V
	MAR/APR-2024

Sr. No.	Subject	Available
1.	131U06E501 – Direct Taxation (A), (B)	
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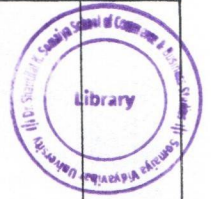
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Semester (July 2023 to November 2023)		
Examination: End Semester Examination March/April 2024 (UG Programmes)		
Programme code:06 Programme: BBM	Class: TYBBM	Semester: V
Name of the Constituent College: S K Somaiya College	Name of the Department Business Studies	
Course Code: 131U06E501	Name of the Course: Direct Taxation	
Duration : 2 Hrs.	Maximum Marks : 60	
Instructions: 1) Figures to the right indicate full marks 2) Q1 – Q3 have internal option. Q4 is compulsory 3) Working notes should form part of your answer		

Question No.		Max. Marks	CO														
Q.1. A	<p>Mr. Robert, a Canadian citizen but of Indian origin came to India on 1st October, 2017, for the first time. His total stay in India was as under.</p> <table><tr><td>Year Ended</td><td>No. of Days</td></tr><tr><td>31st March, 2018</td><td>25</td></tr><tr><td>31st March, 2019</td><td>80</td></tr><tr><td>31st March, 2020</td><td>180</td></tr><tr><td>31st March, 2021</td><td>100</td></tr><tr><td>31st March, 2022</td><td>25</td></tr></table> <p>He informs that he was in India from 1st April 2022 to 28th June 2022, both days inclusive. Determine his residential status under the Income-tax Act for the Assessment year 2023-24.</p>	Year Ended	No. of Days	31st March, 2018	25	31st March, 2019	80	31st March, 2020	180	31st March, 2021	100	31st March, 2022	25	08	01		
Year Ended	No. of Days																
31st March, 2018	25																
31st March, 2019	80																
31st March, 2020	180																
31st March, 2021	100																
31st March, 2022	25																
Q.1. B	<p>Mr. Rudra earned following income during the previous year ended 31st March 2023.</p> <table><tr><td>Professional fees received in India for 3 months</td><td>18,000</td></tr><tr><td>Payment received in UK for services rendered in India</td><td>16,000</td></tr><tr><td>Income from business in Australia, controlled from India</td><td>14,000</td></tr><tr><td>Income from agriculture in Bangladesh</td><td>12,000</td></tr><tr><td>Dividend from a foreign company received in UK</td><td>10,000</td></tr><tr><td>Amount brought into India of past untaxed profits earned in USA</td><td>18,000</td></tr></table> <p>Compute his total Income for the assessment year 2023-24, if he is:</p> <p>(i.) A Resident</p> <p>(ii.) A Resident but not ordinary Resident</p> <p>(iii.) A Non- Resident.</p>	Professional fees received in India for 3 months	18,000	Payment received in UK for services rendered in India	16,000	Income from business in Australia, controlled from India	14,000	Income from agriculture in Bangladesh	12,000	Dividend from a foreign company received in UK	10,000	Amount brought into India of past untaxed profits earned in USA	18,000	07	01		
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Dividend from a foreign company received in UK	10,000																
Amount brought into India of past untaxed profits earned in USA	18,000																
	OR																
Q.1 C	<p>Calculate net taxable income of Mr. Gautam for the AY 2023-24 from the following information:</p> <table><tr><th>Particulars</th><th>Amount</th></tr><tr><td>Salaries received during the year</td><td>1,47,000</td></tr><tr><td>Arrears of Salary for earlier year received during the year</td><td>6,000</td></tr><tr><td>Salary for April 2023 received on 31st March 2023</td><td>12,250</td></tr><tr><td>Bonus received</td><td>3,000</td></tr><tr><td>Perquisite value of car provided by the employer</td><td>3,600</td></tr><tr><td>Received travelling allowance (amount spent Rs.12,000)</td><td>15,000</td></tr></table>	Particulars	Amount	Salaries received during the year	1,47,000	Arrears of Salary for earlier year received during the year	6,000	Salary for April 2023 received on 31st March 2023	12,250	Bonus received	3,000	Perquisite value of car provided by the employer	3,600	Received travelling allowance (amount spent Rs.12,000)	15,000	15	02 & 03
Particulars	Amount																
Salaries received during the year	1,47,000																
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Salary for April 2023 received on 31st March 2023	12,250																
Bonus received	3,000																
Perquisite value of car provided by the employer	3,600																
Received travelling allowance (amount spent Rs.12,000)	15,000																

	Entertainment allowance received Profession tax deducted Amount spent on purchase of books Life Insurance premium paid by employer Amount spent on entertainment	36,000 2,500 6,000 4,500 6,000		
	Mr. Gautam has invested Rs.1,00,000 in NSC and Rs.80,000 in approved pension plan			
Q2. A	Mr. Kedar Patwardhan owns two house properties. Following are the details regarding these houses for the year ended 31-03-2023. A. House Property I – self occupied 1. Annual Value Rs. 4,00,000 2. Municipal Taxes paid Rs. 20,000 3. Loan from ICICI Bank of Rs. 15,00,000 for acquiring the house property 4. Interest paid on the above loan Rs. 1,80,000 for the year. 5. Repayment of Principal amount on housing loan during the year Rs. 30,000 B. House Property II – let out 1. Fair Rent Rs. 3,25,000 2. Actual rent received Rs. 30,000 per month 3. Municipal Taxes paid Rs. 18,000 4. Collection charges paid Rs. 500 5. Interest paid on loan for construction of house property Rs. 40,000 C. His other income was interest on Public Provident Fund Rs. 6,000 D. Mr. Patwardhan is physically handicapped (upto 30%) Compute the Net Taxable Income of Mr. Patwardhan for the Assessment Year 2023-24.	15	02 & 03	
	OR			
Q2 B	Mr. Shourya owns a residential house which he purchased during June 2003 for Rs.12,50,000. He spent Rs.2,60,000 on renovations during August 2008. The fair market value on 1st April 2001 was Rs.6,00,000. He sold the property during December 2022 for Rs. 80,00,000. Cost Inflation index – F Y			



To Motor Car Expenses	70,000	Refund	
To Life Insurance Premium	1,00,000	By Rent from House Property	2,00,000
To Municipal Tax paid for House Property	20,000	By Duty Drawback	65,000
To Interest on Loan	50,000		
To Repair Expenses	32,000		
To Depreciation	20,000		
To Net Profit	8,38,000		
Total	15,80,000	Total	15,80,000

Additional Information:

1. Repair Expenses include Rs. 12,000 paid for rented house property.
2. Depreciation as per Income Tax rules is Rs.25,000.
3. Life Insurance Premium is paid for his spouse.
4. Interest on Loan is towards Rs. 30,000 for rented House property and balance Rs. 20,000 for education Loan of his daughter, who is pursuing Fashion Designing course from a recognized institution.

OR

Mr. S.V. Joshi is a Chartered Accountant. Following is his Receipts and Payments A/c for the year ended 31st March, 2023.

Q3 B

Receipts	Rs.	Payments	Rs.
To Opening Cash/Bank Balance	15,000	By Office Rent	48,000
To Fees from Clients (Net)	3,60,000	By Printing & Stationery	32,000
To Receipts for Articles written for Financial Magazines	40,000	By Gifts to Staff	20,000
To Interest on Bank S/B A/c	2,000	By General Expenses	60,000
To Interest on Post Office Saving Account	3,000	By Motor Car Expenses	40,000
To Interest on Fixed Deposit with Banks	8,000	By Telephone Expenses	30,000
To Interest on Government Securities	6,000	By Income Tax	4,000
To Sale of Motor Car	1,00,000	By Drawings	30,000

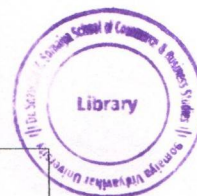
15

03 &
04

	<table><tr><td>By Motor Car Insurance</td><td>20,000</td></tr><tr><td>By Conveyance Expenses</td><td>30,000</td></tr><tr><td>By Accountant's Fees</td><td>20,000</td></tr><tr><td>By L.I.C. Premium Paid</td><td>40,000</td></tr><tr><td>By Salaries to Staff</td><td>60,000</td></tr><tr><td>By Closing Cash & Bank Balance</td><td>1,00,000</td></tr><tr><td>5,34,000</td><td>5,34,000</td></tr></table>	By Motor Car Insurance	20,000	By Conveyance Expenses	30,000	By Accountant's Fees	20,000	By L.I.C. Premium Paid	40,000	By Salaries to Staff	60,000	By Closing Cash & Bank Balance	1,00,000	5,34,000	5,34,000		
By Motor Car Insurance	20,000																
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By Salaries to Staff	60,000																
By Closing Cash & Bank Balance	1,00,000																
5,34,000	5,34,000																
	<p>Other Information:</p> <p>1. Opening W.D.V. of the block of Motor Car (consisting of two Motor Cars) was Rs. 2,50,000. Depreciation is allowable @20% on the same.</p> <p>2. Personal use of the motor car is estimated at 25%.</p> <p>3. Fees from clients is after T.D.S of Rs. 2,000.</p> <p>4. General Expenses include a sum of Rs. 4,000 given to his daughter as birthday gift.</p> <p>5. He is handicapped to the extent of 50%</p> <p>6. LIC premium paid on a policy issued on 1-4-2019 for capital sum assured amounting to Rs.7,50,000.</p> <p>Compute the Net Taxable Income of Shri Joshi for the Assessment Year 2023-24</p>																
Q.4	Write the following concepts (5 Marks each)	15															
	1. Person		01														
	2. Deductions u/s 80 DD		03														
	3. Exclusions from Capital asset		02														



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Semester (July 2023 to November 2023)		
Examination: End Semester Examination March/April 2024 (UG Programmes)		
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Name of the Constituent College: S K Somaiya College	Name of the Department Business Studies	
Course Code: 131U06E501	Name of the Course: Direct Taxation	
Duration : 2 Hrs.	Maximum Marks : 60	
Instructions: 1) Figures to the right indicate full marks 2) Q1 – Q3 have internal option. Q4 is compulsory 3) Working notes should form part of your answer		

Question No.		Max. Marks	CO														
Q.1. A	<p>Amol, an Indian film actor gives the following information of his stay outside India for film shooting.</p> <table><tr><th>Period</th><th>Place</th></tr><tr><td>12th April, 2022 to 27th April, 2023</td><td>USA</td></tr><tr><td>5th May 2022 to 11th July, 2023</td><td>Sri Lanka</td></tr><tr><td>26th August, 2021 to 9th September, 2022</td><td>UK</td></tr><tr><td>20th September, 2021 to 11th October, 2022</td><td>New Zealand</td></tr><tr><td>3rd January, 2023 to 25th March, 2023</td><td>South Africa</td></tr></table> <p>He made his debut in international films on 10th March 2020 and went to Hollywood for 2 years and returned to India on 28th March, 2022. Determine his residential status with reasons for assessment year 2023-24.</p>	Period	Place	12 th April, 2022 to 27 th April, 2023	USA	5 th May 2022 to 11 th July, 2023	Sri Lanka	26 th August, 2021 to 9 th September, 2022	UK	20 th September, 2021 to 11 th October, 2022	New Zealand	3 rd January, 2023 to 25 th March, 2023	South Africa	08	01		
Period	Place																
12 th April, 2022 to 27 th April, 2023	USA																
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26 th August, 2021 to 9 th September, 2022	UK																
20 th September, 2021 to 11 th October, 2022	New Zealand																
3 rd January, 2023 to 25 th March, 2023	South Africa																
Q.1. B	<p>Miss Kriti, an Indian citizen, furnishes the following information of her income earned during the previous year 2022-23:</p> <table><tr><th>Particulars</th><th>Amount</th></tr><tr><td>Professional fees received in India</td><td>10,000</td></tr><tr><td>Income earned in India but received in France</td><td>15,000</td></tr><tr><td>Dividend on shares of Indian Co-operative bank received in India</td><td>7,000</td></tr><tr><td>Salary earned and received in France</td><td>5,000</td></tr><tr><td>Dividend from a foreign company received in Germany</td><td>3,000</td></tr><tr><td>Interest from banks in France</td><td>4,000</td></tr></table>	Particulars	Amount	Professional fees received in India	10,000	Income earned in India but received in France	15,000	Dividend on shares of Indian Co-operative bank received in India	7,000	Salary earned and received in France	5,000	Dividend from a foreign company received in Germany	3,000	Interest from banks in France	4,000	07	01
Particulars	Amount																
Professional fees received in India	10,000																
Income earned in India but received in France	15,000																
Dividend on shares of Indian Co-operative bank received in India	7,000																
Salary earned and received in France	5,000																
Dividend from a foreign company received in Germany	3,000																
Interest from banks in France	4,000																

	Compute his total Income for the assessment year 2023-24, if she is: (i.) A Resident (ii.) A Resident but not ordinary Resident (iii.) A Non- Resident.																														
	OR																														
Q.1 C	<p>Mr. Karan works with Z Ltd as a senior manager. He provides following information for the year ended 31st March 2023.</p> <table><thead><tr><th>Particulars</th><th>Amount</th></tr></thead><tbody><tr><td>Basic Salary per annum</td><td>8,00,000</td></tr><tr><td>Dearness Allowance</td><td>25% of basic salary</td></tr><tr><td>Commission received</td><td>1,00,000</td></tr><tr><td>Bonus</td><td>75,000</td></tr><tr><td>Advance salary received</td><td>87,500</td></tr><tr><td>HRA (exempt Rs.25,000)</td><td>85,000 p.a.</td></tr><tr><td>Entertainment allowance received</td><td>75,000 p.a.</td></tr><tr><td>Medical allowance</td><td>44,000</td></tr><tr><td>Profession tax deducted from salary</td><td>2,500</td></tr></tbody></table> <p>He paid by cheque for medical insurance as follows:</p> <table><tbody><tr><td>(a.) For self</td><td>12,500</td></tr><tr><td>(b.) For Wife</td><td>12,500</td></tr><tr><td>(c.) Dependent Children</td><td>12,500</td></tr><tr><td>(d.) Independent Parents</td><td>18,000</td></tr></tbody></table> <p>Compute Net taxable income of Mr. Karan for A Y 2023-24.</p>	Particulars	Amount	Basic Salary per annum	8,00,000	Dearness Allowance	25% of basic salary	Commission received	1,00,000	Bonus	75,000	Advance salary received	87,500	HRA (exempt Rs.25,000)	85,000 p.a.	Entertainment allowance received	75,000 p.a.	Medical allowance	44,000	Profession tax deducted from salary	2,500	(a.) For self	12,500	(b.) For Wife	12,500	(c.) Dependent Children	12,500	(d.) Independent Parents	18,000	15	02 & 03
Particulars	Amount																														
Basic Salary per annum	8,00,000																														
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(c.) Dependent Children	12,500																														
(d.) Independent Parents	18,000																														
Q.2. A	<p>Mr. Akhil is partially blind (72% disability). He gives you the following information for previous year 2022-23:</p> <table><thead><tr><th>Particulars</th><th>House 1 (Self-Occupied) Rs.</th><th>House 2 (Let Out) Rs.</th></tr></thead><tbody><tr><td>1. Fair Rent (per month)</td><td>35,000</td><td>35,000</td></tr><tr><td>2. Rent received (per month)</td><td>NIL</td><td>40,000</td></tr><tr><td>3. Municipal Taxes</td><td>10,000</td><td>10,000</td></tr><tr><td>a. Actually paid</td><td>5,000</td><td>5,000</td></tr><tr><td>b. Outstanding as on 31-03-2023</td><td></td><td></td></tr><tr><td>4. Maintenance charges</td><td>9,000</td><td>9,000</td></tr><tr><td>5. Interest of Housing Loan (Loan taken after 1-4-1999) paid during the year</td><td>40,000</td><td>46,000</td></tr></tbody></table> <p>Other Information: Interest received from Saving Bank A/c -Rs. 15,000 Interest accrued on kisan Vikas Patra – Rs. 5,000 Winning from Lotteries (TDS Rs. 20,000) Net – Rs. 30,000 Compute the taxable Income of Mr. Akhil for the assessment year 2023-24.</p> <p>OR</p>	Particulars	House 1 (Self-Occupied) Rs.	House 2 (Let Out) Rs.	1. Fair Rent (per month)	35,000	35,000	2. Rent received (per month)	NIL	40,000	3. Municipal Taxes	10,000	10,000	a. Actually paid	5,000	5,000	b. Outstanding as on 31-03-2023			4. Maintenance charges	9,000	9,000	5. Interest of Housing Loan (Loan taken after 1-4-1999) paid during the year	40,000	46,000	15	02 & 03				
Particulars	House 1 (Self-Occupied) Rs.	House 2 (Let Out) Rs.																													
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4. Maintenance charges	9,000	9,000																													
5. Interest of Housing Loan (Loan taken after 1-4-1999) paid during the year	40,000	46,000																													
Q2 B	<p>Mr. Anshul owns a residential house which he purchased during June 1998 for Rs.1,50,000. He spent Rs.1,50,000 on renovations during August 2003. The fair market</p>	08	02																												



	<p>value on 1-April 2001 was Rs.8,00,000. He sold the property during December 2022 for Rs.95,00,000. He purchased a new residence for Rs.25,00,000 during March 2023. Cost Inflation index –</p> <table><tr><td>F Y</td><td>CII</td></tr><tr><td>2001-02</td><td>100</td></tr><tr><td>2003-04</td><td>109</td></tr><tr><td>2022-23</td><td>331</td></tr></table> <p>Calculate capital gains in hands of Mr. Anshul for AY 2023-24.</p>	F Y	CII	2001-02	100	2003-04	109	2022-23	331																																						
F Y	CII																																														
2001-02	100																																														
2003-04	109																																														
2022-23	331																																														
Q.2 C	Mr. Kavir purchased 100 shares of Ami Ltd @ Rs.300 per share on 1-April 2022 and sold it on 1-December 2022 @ Rs.450 per share. Brokerage paid on purchase and sale of shares is 0.5% each. Calculate capital gains for AY 2023-24.	07	02																																												
Q.3. A	<p>Mr. Mane is partially blind (85% disability). He furnishes the following information: Profit And Loss Account for the year ended 31-3-2023</p> <table><tr><th>Expenses</th><th>Rs.</th><th>Income</th><th>Rs.</th></tr><tr><td>To Office Expense</td><td>60,000</td><td>By Gross Profit b/d</td><td>11,48,000</td></tr><tr><td>To Advertisement</td><td>15,000</td><td>By dividend from Saraswat Co-op Bank</td><td>8,000</td></tr><tr><td>To Drawings</td><td>50,000</td><td>By Saving Bank Interest</td><td>15,000</td></tr><tr><td>To Electricity Charges</td><td>25,000</td><td>By Prize money received for participating in TV Game</td><td>20,000</td></tr><tr><td>To Interest on Business Loan from Bank of India</td><td>30,000</td><td></td><td></td></tr><tr><td>To Depreciation</td><td>28,000</td><td></td><td></td></tr><tr><td>To Miscellaneous Expenses</td><td>10,000</td><td></td><td></td></tr><tr><td>To Advance Income Tax</td><td>23,000</td><td></td><td></td></tr><tr><td>To Net Profit c/d</td><td>9,50,000</td><td></td><td></td></tr><tr><td>Total</td><td>11,91,000</td><td>Total</td><td>11,91,000</td></tr></table> <p>Other Information:</p> <p>1. Depreciation allowed as per Income Tax Rules is Rs. 30,000</p> <p>2. Office expenses include office repairs Rs. 21,000 paid in cash on 14-10-2021.</p> <p>3. Interest due on business loan from Bank of India is not paid before the due date of filling the income tax return.</p> <p>You are required to compute the total income for Mr. Mane for the assessment year 2023-24.</p>	Expenses	Rs.	Income	Rs.	To Office Expense	60,000	By Gross Profit b/d	11,48,000	To Advertisement	15,000	By dividend from Saraswat Co-op Bank	8,000	To Drawings	50,000	By Saving Bank Interest	15,000	To Electricity Charges	25,000	By Prize money received for participating in TV Game	20,000	To Interest on Business Loan from Bank of India	30,000			To Depreciation	28,000			To Miscellaneous Expenses	10,000			To Advance Income Tax	23,000			To Net Profit c/d	9,50,000			Total	11,91,000	Total	11,91,000	15	03 & 04
Expenses	Rs.	Income	Rs.																																												
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OR																																															

Q3 B

Mr. S.V. Joshi is a Chartered Accountant. Following is his Receipts and Payments A/c for the year ended 31-March, 2023.

15

03 &
04

Receipts	Rs.	Payments	Rs.
To Opening Cash/Bank Balance	15,000	By Office Rent	48,000
To Fees from Clients (Net)	3,60,000	By Printing & Stationery	32,000
To Receipts for Articles written for Financial Magazines	40,000	By Gifts to Staff	20,000
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To Interest on Fixed Deposit with Banks	8,000	By Telephone Expenses	30,000
To Interest on Government Securities	6,000	By Income Tax	4,000
To Sale of Motor Car	1,00,000	By Drawings	30,000
		By Motor Car Insurance	20,000
		By Conveyance Expenses	30,000
		By Accountant's Fees	20,000
		By L.I.C. Premium Paid	40,000
		By Salaries to Staff	60,000
		By Closing Cash & Bank Balance	1,00,000
	5,34,000		5,34,000

Other Information:

1. Opening W.D.V. of the block of Motor Car (consisting of two Motor Cars) was Rs. 2,50,000. Depreciation is allowable @20% on the same.
2. Personal use of the motor car is estimated at 25%.
3. Fees from clients is after T.D.S of Rs. 2,000.
4. General Expenses include a sum of Rs. 4,000 given to his daughter as birthday gift.
5. He is handicapped to the extent of 50%
6. LIP paid on a policy issued on 1-4-2019 for capital sum assured amounting to Rs.7,50,000. Compute the Net Taxable Income of Shri Joshi for the Assessment Year 2023-24

Q.4	Write the following concepts (5 Marks each)	15	
	1. Incomes exempt from tax (any 10)		01
	2. Deductions under Section 80 D		03
	3. Exclusions from capital asset		02

