



K. K. Wagh Institute of Engineering Education & Research, Nashik
(An Autonomous Institute From A.Y. 2022-23)

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| | WINTER-2023 | | |
| | Exam Seat No.: | | |
| | Academic Year:2023-2024 | Semester:III | |
| | Name of Programme:MBA | Pattern:2022 | |
| | Name of Course:Direct Taxation | Course Code:MBA22 3 2 06 | |
| | Max. Marks:60 | Duration:2.50 | |

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| | <p>Instructions: Candidates should read carefully the instructions printed on the Question Paper and on the cover page of the Answer Book, which is provided for their use.</p> <ol style="list-style-type: none">1. This question paper contains 5 (Five) pages.2. Answer to each new question is to be started on a new page.3. Assume suitable data wherever required, but justify it.4. Draw the neat labelled diagrams, wherever necessary.5. The last columns indicates the Course Outcome and level of Blooms Taxonomy of the Question/sub-question.6. Q.1 and Q.2 are compulsory. Attempt (a) or (b) and (c) or (d) from Q.3 to Q.5. | |
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Question No. 1 Attempt following Question

- 1a) i) Differentiate between Direct tax and Indirect Tax. (6) CO1
- ii) Explain the basic conditions to determine the residential status of an individual as per Income Tax Act, 1961

Question No. 2 Attempt following Question

- 2a) i) Explain the amount of exemption available to Employee under section 10(13A) of Income Tax Act, 1961 in case employee opts out from default tax regime under section 115BAC. (6) CO1
- ii) State and explain the deductions under section 24 of Income Tax Act, 1961, to be deducted from Net Annual Value of House Property irrespective of its type of occupancy

Question No. 3 Attempt following Question

- 3a) Mr. Sharma had purchased a house property on 1st March 1999 for Rs.1500000/-. FMV of this property as on 1st April 2001 was Rs.2000000/-. He sold the said property in November 2023 for Rs.12000000/-. Further, he purchased a new house property in June 2023 for Rs.4500000/- and invested in NHAI bonds of Rs.500000/- in May 2024. Calculate Capital Gain for the assessment year 2024-25 (8) CO3
- (CII- 2001-02- 100, 2023-24- 348)

OR

- 3b) Mr. Varma purchased a vacant plot in December 2012 for Rs.1500000/-. He constructed a house property in the year 2013-14, costing Rs.2500000/-. In December 2023, he sold the said property (8) CO3

for Rs.12000000/-, value assessed for Stamp duty Rs.11800000/-.

Further, he invested Rs.1000000/- in REC bonds in April 2024 and Rs.500000/- in RBI Bonds in May 2024.

Calculate Capital Gain for the assessment year 2024-25

(CII- 2012-13- 200, 2013-14- 220, 2023-24-348)

3c) The following is the profit & loss account for the year ended on 31st march 2024

(8) CO3

| Dr. | Profit and Loss Account | | Cr. |
|--------------------------|-------------------------|---------------------|--------|
| Particulars | Amount | Particulars | Amount |
| To Salary | 80000 | By Gross Profit | 200000 |
| To Advertisement | 10000 | By Dividend | 15000 |
| To Office Exp | 5000 | By Gift from Father | 50000 |
| To Fire Insurance | 5500 | By Bank Interest | 25000 |
| To Depreciation | 16000 | | |
| To Bonus | 15000 | | |
| To Income Tax | 10000 | | |
| To GST | 8000 | | |
| To Interest on Bank Loan | 12000 | | |
| To RDD | 4500 | | |
| To Net Profit | 124000 | | |
| Total | 290000 | Total | 290000 |

1. Salary includes Salary paid to domestic servant Rs.5000.

2. Depreciation as per Income Tax Act Rs.12000.

3. Bank loan is borrowed for Business purpose.

4. GST paid includes Rs.2000/- Penalty of GST.

Calculate Income from Business and Income from Other Source.

OR

3d) The following is the profit & loss account for the year ended on 31st march 2024

(8) CO3

| Dr. | Profit and Loss Account | | Cr. |
|----------------------------|-------------------------|---------------------|--------|
| Particulars | Amount | Particulars | Amount |
| To Salary | 78000 | By Gross Profit | 223000 |
| To Advertisement | 8000 | By Dividend | 8400 |
| To Office Exp | 4500 | By Gift from Father | 25000 |
| To Fire Insurance | 3500 | By Bank Interest | 11400 |
| To Depreciation | 15800 | | |
| To Donation | 10500 | | |
| To Bonus | 12800 | | |
| To Income Tax | 8600 | | |
| To GST | 4500 | | |
| To Interest on Capital | 5600 | | |
| To Provision for Bad Debts | 3500 | | |
| To Sundry Exp | 12500 | | |
| To Net Profit | 100000 | | |
| Total | 267800 | Total | 267800 |

1. Advertisement includes Rs.550/- for expenses incurred for selling personal car.
2. Depreciation as per Income Tax Act Rs.14000.

Calculate Income from Business and Income from Other Source.

Question No. 4 Attempt following Question

- 4a) Mr. Vijay had purchased 150 shares of Supreme Motors@Rs.550 on 10th December 2022, further he purchased 50 shares @Rs.600 on 2nd June 2023. On 15th December 2023, he sold all 200 shares @Rs.700/-. Calculate Capital gain for A.Y.2024-25.

(8) CO5

OR

4b) Mr. Rakesh had purchased 400 shares of Newgen System@Rs.1200 on 14th February 2023. On 1st August 2023, company declared bonus issue in the ratio 1:2 (1 bonus for every 2 shares held). On 15th December 2023, he sold all shares @Rs.1180/-. Calculate Capital gain for A.Y.2024-25. (8) CO5

4c) Mr. Nikhil, age 40, resident of India, provides following details of his income- (8) CO5

i) Income from Salary- Gross Salary Rs.1080000/-, profession tax deducted from his salary Rs.2500/-

ii) Bank Interest Rs.8500/-, out of which Rs.5500/- received on term deposits with bank and balance on Savings account.

iii) He had received Rs.52000/- as a gift from his brother on the occasion of his birthday.

iv) He contributed Rs.21600/- towards Provident Fund.

v) He had received Rs.800000/- as a professional fee for consultancy services provided, eligible for presumptive taxation under section 44ADA.

vi) He paid Rs.300000/- towards housing loan, out of which Rs.210000/- paid towards interest. The said house property is self-occupied.

vii) He had invested in mutual funds Rs.48000/- eligible for income tax benefits.

Assess his tax liability for the assessment year 2024-25 assuming he opts out from new tax regime under section 115BAC

OR

4d) Mrs. Nikita, age 62, provides following details of her income- (8) CO5

i) Family pension received Rs.60000/-

ii) House rent received Rs. 120000/- from a property let out on which Municipal tax paid Rs.3400/-

iii) She sold gold for Rs.640000/- in August 2023, which was originally purchased in November 2013 for Rs.220000/-

iv) She earned interest on bonds Rs.96000/-.

v) Interest on Fixed Deposits with bank Rs.120000/-

vi) Interest on Savings Deposits with bank Rs.8500/-

vii) She had received Rs.100000/- from LIC as a compensation on death of her husband.

Assess her tax liability for the assessment year 2024-25 assuming she opts for new tax regime under section 115BAC

(CII- 2013-14- 220, 2023-24- 348)

Question No. 5 Attempt following Question

5a) Explain the various investments available under section 80C of Income Tax Act, 1961 (8) CO2

OR

5b) Explain the term “Relative” for the purpose of the Income tax Act, 1961 (8) CO2

5c) Mr. Prakash, 58, Indian resident, provides following details of his income- (8) CO5

i) Income from Salary- Gross Salary Rs.840000/-, profession tax deducted from his salary Rs.2500/-

ii) Bank Interest Rs.4500/-

iii) He sold 100 equity shares (Listed) @1100/- each on 1st December 2023, which was purchased on 10th March 2023@800/-each.

iv) He paid Rs.108000/- towards housing loan repayment and Rs.62000/- towards housing loan interest. The said house property is self-occupied.

v) He paid Rs.15000/- towards Mediciam insurance in Cash.

vi) He paid Rs.25000/- towards Life Insurance in Cash.

vii) He paid Rs.35000/- towards Tuition fees of his child.

Assess his tax liability for the assessment year 2024-25 assuming he opts out from new tax regime under section 115BAC

OR

5d) Mr Suresh, age 72, retail trader, provides following details of his income as under- (8) CO5

i) Income from the Retail Trade Business to be assessed under section 44AD- Gross Receipts- 12000000/-, out of which Rs.60% received in Cash.

ii) Bank Interest Rs.8500/-

iii) He sold 1000 equity shares (Listed) @125/- each on 1stDecember 2023, which was purchased on 10th January 2023@75/-each.

iv) He paid Rs.180000/- towards housing loan repayment, out of which Rs.62000/- towards housing loan interest. The said house property is self-occupied.

v) He paid Rs.25000/- towards Life Insurance in Cash.

Assess his tax liability for the assessment year 2024-25 assuming he opts for new tax regime under section 115BAC