

Total No. of Questions : 5]

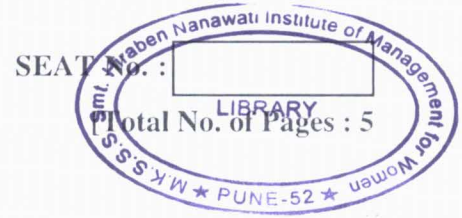
PE-5862

[6551]-860

M.B.A.

FIN615MJ : DIRECT TAXATION

(2024 Pattern) (Semester - III)



Time : 2½ Hours]

[Max. Marks : 50

Instructions :

- 1) All questions are compulsory.
- 2) Each question carries 10 marks.
- 3) Working Notes form part of your answer. They should be shown neatly and clearly.
- 4) Use of non-programmable calculator is allowed.

Q1) Attempt any five of the following :

[5 × 2 = 10]

- a) Define the term, Person.
- b) What do you understand by Gross Total Income?
- c) Define alternative minimum tax (AMT)
- d) Explain the HRA exemption u/s 10(13A)
- e) Explain the term of Assessment Year and Previous Year
- f) What is Direct Tax and Indirect Tax?
- g) i) After a death of a person, his legal representative is treated as an assessee for that income of the deceased person on which tax has not been paid. This example is related to _____.
 - A) Assessee in default
 - B) Deemed Assessee
 - C) Special Assessee
 - D) All the Above
- ii) _____ allowance is firstly included in the salary and then deduction is allowed under section 16 if he is government employee.
 - A) City Compensatory Allowance
 - B) Dearness Allowance
 - C) Entertainment Allowance
 - D) Medical Allowance

P.T.O.

- h) i) _____ is the maximum rent which a person can legally recover from his tenant under a Rent Control Act.
- Fair Rent
 - Municipal Rent
 - Government Rent
 - Standard Rent
- ii) Deduction u/s 80 E of Income Tax Act is in respect of payment of _____.
- Interest on housing loan
 - Interest on car loan
 - Interest on loan taken for Higher studies
 - None of the above

Q2) Answer the following (any two) : **[2 × 5 = 10]**

- List of any five existing exemptions under 10 of the Income-tax Act.
- Elaborate on Residential Status of an Individual
- Explain - Tax Planning and Tax Evasion

Q3) Solve any one of the following : **[1 × 10 = 10]**

- Mr. Bisa Sales Manager in PQR Ltd. During F.Y. 2024-25 he has received the following towards his salary and allowances/perquisites;
 - Basic pay Rs. 85,000 per month up to December 2024 and there after an increase of Rs. 2,000 per month.
 - Dearness allowance 40% of basic pay (whole DA forming part of retirement benefits)
 - Bonus Rs.87000 p.a.
 - He contributes 14% of his basic pay & DA towards his recognized provident fund and his employer company contributes the same amount.
 - Travelling allowance of Rs.5,000 per month towards on duty tours amount is spent completely.
 - Children education allowance of Rs.600 per month, per child for his 2 son's and 1 daughter.
 - Rent-free Accommodation owned by PQR Ltd. was provided to him in Hyderabad for the whole year and furniture costing Rs. 2,00,000 was also provided.

You are required to : Compute the Taxable Income under the head "Income from Salary", for A.Y 2025-26 assuming that he does not opt for the provisions under section 115BAC.

OR

- b) Mrs. XYZ working as 'Finance Manager' in Geo India Ltd., Pune has given you the following details of her salary for the F.Y.2024-25

Basic Salary (Rs.15000 p.m.)	Rs. 1,80,000
D. A.	40% of Basic Salary (Full DA for Retirement Benefits)
H.R.A.	10% of Basic Salary
City Compensatory Allowance	5% of Basic Salary
Children Educational Allowances	2% of Basic Salary
Fully Taxable Conveyance Allowance.	Rs. 12,000 PA

She has got one daughter studying in 8th standard. She stays in a rented flat by paying monthly rent Rs. 3,000. She is provided with a car of 1200 cc for official and personal use. The entire expenditure of the car is borne by the employer. A driver is also provided along with the car. A medical expenditure of Rs. 15,500 is reimbursed by the employer. She has contributed Rs. 35,000 to the recognized provident fund. An equal amount is contributed by the employer also. Interest @15% has been credited to her recognized provident fund account amounting to Rs. 13,500. She has not exercised the new taxation regime u/s 115 BAC. You are required to compute 'Income from Salary' for A.Y. 2025-26

Q4) Solve any one of the following : **[1 × 10 = 10]**

- a) Mr.Kalyan has a residential house property which was acquired on 12-08-2005 for Rs.2,00,000. The property is sold for Rs. 25,00,000 in 1 June 2024. He incurred Rs. 15,000 towards Brokerage. He acquired another residential house on 1-07-2024 for Rs.17,00,000 for his own use. Compute his capital gain for the A.Y. 2025-26. (Cost Inflation Index: 2005- 06 -117 and 2024-25=363)

OR

- b) Mr. Guru owns two houses. He has given the following particulars for the F.Y. 2024-25

House No. 1 : Its municipal valuation is Rs. 1,00,000. He uses it for his residence. He has paid municipal taxes Rs. 10,000. He has also paid interest on housing loan Rs.16,000.

Second House : Its Municipal valuation is Rs.60,000 and has been let out at a rent of Rs.6000 p.m. He has made the following payments in respect of this house: Municipal taxes Rs.6,000, Legal expenses for getting the house vacated Rs.5000, Annual Maintenance Charges paid to the Society Rs.10,000. The house remained vacant for two months and additionally Rs.20,000 could not be recovered from the defaulting tenant during this year.

Compute his taxable income from the house property for the A.Y. 2025-26 assuming he does not opt for New Tax Regime

Q5) Solve any one of the following :

[10]

- a) Compute Shri Babu Rao's Taxable Income and Income Tax Liability for his clothing business, assuming he has opted for the new tax regime under Section 115BAC of the Income Tax Act, 1961.

Profit and Loss. Account

(For the year ended 31st March, 2025)

Particulars	Rs	Particulars	Rs
To Salaries	88,000	By Gross Profit	3,80,000
To Rent	42,000	By Sundry receipts	20,000
To General expenses	20,000	By Dividends	40,000
To Advertisement	25,000	By Commission	30,000
To Legal expenses	15,000	By Bad debts recovered	10,000
To Sales - tax	10,000		
To Wealth-tax	20,000	By Rent from Let out Property	44,000
To Telephone expenses	12,000		
To Gratuity paid	30,000		
To Provision for bad debts	10,000		
To Advance income-tax	20,000		
To Depreciation	38,000		
To Office expenses	12,000		
To Municipal taxes of property letout	10,000		
To Contribution to employee's provident fund	6,000		
To Net Profit	1,66,000		
Total	5,24,000	Total	5,24,000

Other information:

- Legal expenses were found to have been incurred for the registration of a business asset.
- 50% of the business premises were used for residential purposes.
- General expenses include a donation of Rs. 10,000 to wards A.P. Chief Minister's Relief Fund.
- Advertisement expenses were paid in Cash.
- Allowable depreciation as per income-tax rules, Rs 46,000.

OR

- b) Mrs. Lata is Professor at one of the colleges at Pune. From the following information given below, you are required to calculate total taxable income and tax liability for the A.Y. 2025 26 as per Old Tax Regime
- i) Net Salary including- Basic Pay + DA + Taxable HRA Rs. 5,52,600
 - ii) Remuneration for examinership at Savitribai Phule Pune University Rs. 4,000.
 - iii) Royalty from a very special book on Research in Chemistry Rs. 16,300.
 - iv) Taxable Income from Let-Out Property - Rs. 22,800
 - v) Received Interest on Government Securities Rs. 4,000
 - vi) Received Interest on Deposits with info India Rs. 2,600
 - vii) She paid tuition fee of her son studying in BBA class Rs. 50,000
 - viii) She contributed to Recognized Provident Fund Rs. 11,000
 - ix) She deposited in Public Provident Fund Rs. 10,000
 - x) Mediclaim Insurance Premium paid on the health of dependent mother, aged 67, Rs. 15,500
 - xi) She gave Donation to Prime Minister's National Relief Fund Rs. 2500
 - xii) Professional Tax Rs. 2700 and TDS Rs. 22,000 are deducted from her salary.

