

2024

DIRECT TAX - I — MDC

Paper : MDC-4

Full Marks : 75

The figures in the margin indicate full marks.

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

Group - A

Answer **any three** questions.

1. State under which head the following incomes will be taxable :
 - (i) Suman received ₹ 20,000 as interest on fixed deposit with SBI.
 - (ii) Deep made a gain of ₹ 10,000 on sale of shares held by him.
 - (iii) Family pension received by Smt. Soma Sen ₹ 6,000 on death of her husband who was a Central Govt. employee.
 - (iv) Khushi Shaw, a Chartered Accountant, earned an income of ₹ 1,50,000 from her profession.
 - (v) Debango received a rent of ₹ 1,20,000 by letting-out his flat to a tenant. 5
2. Determine the status of the following persons as per Income Tax Act :
 - (i) Mr. Virat Kohli, an Indian Cricketer.
 - (ii) Bidhannagar Municipal Corporation.
 - (iii) Jadavpur University.
 - (iv) HDFC Bank Ltd.
 - (v) Ekdalia Evergreen Club. 5
3. Write short notes on :
 - (a) Assessee
 - (b) Previous year. 3+2
4.
 - (a) Who is a non-resident?
 - (b) Mention any two incomes which are fully exempt from tax. 3+2

Please Turn Over

(1723)

5. Hiranmoy furnishes the following particulars of his incomes for the year 2023-24 :

- (i) Interest on fixed deposit with SBI ₹ 26,000.
- (ii) Winnings from lottery (Net after deduction of tax @ 30%) ₹ 70,000.
- (iii) Dividend from Indian companies ₹ 15,000.
- (iv) Dividend from foreign companies ₹ 12,000.
- (v) Income from agricultural land in Bangladesh ₹ 10,000.

Compute his income from other sources for the assessment year 2024-25.

5

Group - B

Answer *any three* questions.

6. Mr. Watson, a foreign national, came to India for the first time on January 5, 2020. Subsequently, he stayed in India during 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24 for 70 days, 150 days, 80 days, 160 days and 90 days respectively. Determine his residential status for the assessment year 2024-25. During the previous year 2023-24, he earned the following incomes :

- (i) Dividend from an Indian company received in USA ₹ 20,000.
- (ii) Income from house property in Nepal ₹ 50,000.
- (iii) Profit from a business in USA received therein ₹ 1,00,000. The business is controlled from USA.
- (iv) Profit from a business in Nepal ₹ 50,000 credited to his bank account there. However, the business is controlled from India.
- (v) Past untaxed profit of business in Bangladesh brought to India ₹ 15,000.

Compute gross total income of Mr. Watson for the assessment year 2024-25.

5+5

7. (a) Diya furnishes the following information for the previous year 2023-24 :

	Gold	Residential House at Kolkata
Date of purchase	10.10.2022	12.10.2014
Date of sale	10.03.2024	10.12.2023
Cost of acquisition	₹ 2,00,000	₹ 6,00,000
Sale proceeds	₹ 2,50,000	₹ 18,80,000
Expenses on sale	—	₹ 10,000

Compute his taxable capital gain/loss for the assessment year 2024-25.

[Cost Inflation Index (CII) : 2014-15 : 240, 2022-23 : 331, 2023-24 : 348.]

(b) Mention whether the following assets are short-term capital assets or long-term capital assets :

- (i) Gold jewellery purchased on 10.01.2021 and sold on 15.03.2024.
- (ii) Building purchased on 11.10.2021 and sold on 10.09.2023.

8+2

8. (a) What do you mean by Block of assets?
 (b) What do you mean by short-term and long-term capital assets?
 (c) Distinguish between tax planning and tax evasion.
 (d) Write a short note on Profit in lieu of salary. 2+4+2+2

9. (a) Whether the following incomes are treated as agricultural income for the purpose of Income tax?
 (i) Profit earned from sale of wild grass of spontaneous growth.
 (ii) Agricultural income from land situated in India.
 (iii) Income by way of selling rice produced from the paddy purchased by assessee.
 (iv) Income from growing flowers and creepers.
 (v) Agricultural income from land situated in Nepal.

- (b) From the following information, compute Gross Annual value of the following let out properties for the assessment year 2024-25 :

Particulars	House – 1	House – 2	House – 3	
Municipal Value	57,000	69,000	51,000	
Rent Receivable	66,000	60,000	60,000	
Fair Rent	59,000	70,400	52,300	
Standard Rent	58,400	65,000	50,000	
Vacancy period	—	—	3 months.	5+5

10. (a) Sekhar, an employee of a private company not covered by the Payment of Gratuity Act, 1972, retires on 31.10.2023 after a continuous service of 30 years and 10 months and receives gratuity of ₹ 22,00,000. His basic pay and dearness allowance for October, 2023 was ₹ 1,00,000.
 Calculate the amount of taxable gratuity.
- (b) From the following details for the year 2023-24, compute allowable depreciation for the assessment year 2024-25 :

	₹	
W.D.V. of the block of Plant & Machinery on 01.04.23 (Consisting of plant X and Y – Rate of depreciation 15%)	2,50,000	
Cost of Plant Z acquired on May 15, 2023 (Rate of depreciation 15%)	70,000	
Sale of plant X on July, 2023	2,00,000	5+5

Please Turn Over

(1723)

Group - CAnswer *any two* questions.

11. Mrs. Anju, an employee of a private limited company in Kolkata, furnishes the following particulars of her income for the previous year 2023-24 :

- (i) Basic salary ₹ 20,000 per month.
- (ii) Dearness allowance @ 50% of basic salary.
- (iii) Medical allowance @ ₹ 500 per month.
- (iv) House rent allowance @ ₹ 5,000 per month. (Actual rent paid @ ₹ 7,500 p.m. for a house in Kolkata).
- (v) Employer's contribution to a Recognized Provident Fund ₹ 50,000.
- (vi) Interest credited to RPF @ 12% ₹ 12,000.
- (vii) Life insurance premium paid by her employer ₹ 6,000.
- (viii) Professional tax paid by her employer ₹ 1,500.
- (ix) She was provided with a car (1.2 liters) without driver both for official and private purpose. All expenses were borne by the employer.

Compute income from salary of Mrs. Anju for the assessment year 2024-25. Ignore section 115 BAC.

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12. Soumen owns three houses in Kolkata. The particulars for the year ended 31.03.2024 are given below :

Purpose of use	House – I Let out for residence (₹)	House – II Self-occupied (₹)	House – III For own business (₹)
Gross Municipal Value	70,000	80,000	48,000
Fair Rent	80,000	70,000	–
Standard Rent	60,000	65,000	–
Annual Rent	90,000	–	–
Vacancy period	2 months	–	–
Municipal Tax	5,000	3,000	2,000
Interest on loan paid	5,000	?	–

Additional Information :

- (i) Municipal tax of ₹ 1,000 in respect of House-I was in arrear.
- (ii) On 01.07.2020, Soumen took a loan of ₹ 10,00,000 @12% for the construction of House-II and the construction was completed on 01.06.2022. As on 31.03.2024, entire loan remained unpaid.

Compute income from house property for the assessment year 2024-25. Ignore Sec 115 BAC.

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13. Rahul Pandey submits the following Profit and Loss Account of his business for the year ended 31.03.2024 :

Particulars	₹	Particulars	₹
To Opening Stock	40,000	By Sales	5,10,000
" Purchases	3,80,000	" Closing Stock	78,000
" Salaries	25,000	" Bad Debt Recovered	
" Depreciation	20,000	(disallowed in earlier years)	2,000
" Advertisement	10,000	" Bank interest	10,000
" Income Tax	12,000		
" Life Insurance Premium	3,000		
" Bad Debts	4,000		
" Provision for doubtful debts	2,000		
" Legal expenses	5,000		
" Donation to Puri Temple	9,000		
" Net Profit	90,000		
	6,00,000		6,00,000

Other Information :

- Depreciation as per Income Tax Rule ₹ 25,000.
- Closing stock was overvalued by ₹ 10,000.
- Legal expenses include ₹ 2,000 paid as penalty for infringement of Customs regulations.
- Salaries include ₹ 5,000 paid to Rahul Pandey.
- Purchases include ₹ 15,000 paid in cash.

Compute income from business of Rahul Pandey for the assessment year 2024-25.

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