



- Notes : 1. All questions are compulsory.  
2. All questions carry equal marks.

1. a) What are the instances of agricultural and non-agricultural income? Explain. **8**  
b) Explain the difference between capital receipts and revenue receipt? **8**

**OR**

- c) Explain the concept of 'previous year' and 'Assessment year'? **8**  
d) What is the difference between 'Exemption', 'Deduction and 'Rebate'? **8**

2. a) Suryanarayan, an Indian citizen and resident in India, provided following particular of his income for the P. Y. 2020-21 **8**

- 1) Basic salary Rs. 2,88,000
- 2) Dearness Allowance Rs. 57,600
- 3) Self contribution to R.P.F. Rs. 40,320
- 4) Employer contribution to R.P.F. Rs. 40,320
- 5) Interest on balance of RPF @ of 8% Rs. 28,000
- 6) Bonus Rs. 24,000
- 7) He has been provided with small car use for office & personal purpose for which all expenses paid by employer.
- 8) He had been provided with rent free accommodation at Chennai for which employer paid rent of Rs. 2,500 p.m.  
He was allow to use refrigerator and A.C. costing Rs. 16,000 & Rs. 24,000 respectively. There W.D. value on 1 / 4 / 2020 were Rs. 9,000 & Rs. 14,000 respectively.
- 9) Employer paid LIC. Premium of Rs. 24,000 for an insurance policy of Rs. 4,80,000 on Mr. Suryanarayan's life.

Compute the taxable salary of Rs. Suryanarayan for the assessment year 2021-22

Note – Solve as per old regime

- b) On the basis of following information provided by Mr. Pratik, compute the taxable income under the head salary for the A. Y. 2021-22 **8**

Rs. P. M

- 1) Basic Salary 8,400
- 2) Dearness allowance. 1,200
- 3) Entertainment Allowance 600
- 4) Hill area compensatory Allowance 600
- 5) Tribal area Allowance 500
- 6) Own contribution to statutory P.F. 1000
- 7) House Rent Allowance 1,600
- 8) Interest credited to P. F. @ 8% 13,000
- 9) Mr. Pratik is an officer in forest Dept-of Maharashtra Govt. He is employed at a place at a Hight of 1,100 miter above the sea level. He is paying Rs. 2,400 p.m. as house rent.

Note – Solve as per old regime.

**OR**

- c) Mr. Milind is marketing officer in one private company at Raipur. He is in the grade of 16,000-800-24,000 since 1<sup>st</sup> January 2016. Compute the taxable salary for the assessment year 2021-2022 on the basis of following information.

**16**

- 1) Net basic salary after deduction of the contribution to R.P.F. Rs. 2,04,800
- 2) Employer's matching contribution to R. P.F.
- 3) Dearness Allowance under the term of employment is Rs. 48,000 p.a.
- 4) Education Allowance for three children Rs. 9000.
- 5) Medical allowance Rs. 16,400, actual expenditure Rs. 4,000.
- 6) Servant, Sweeper & watchman at salary of Rs. 500 p.m. each. The are paid by the Mr. Milind but salary of servants paid by the company.
- 7) Telephone Bill Rs. 10,000 at the residence paid by employer.
- 8) He received Rs. 8,000 in Dec- 2020, for surrendering one month's earned leave.
- 9) LIC premium of Rs. 10,000 paid by Employer
- 10) He paid profession tax of Rs. 2,000.
- 11) He has been provided with rent free House. Whose pair rent is Rs. 6,000 p.m. He has also been provided furniture facility of Rs. 40,000 (W.D. value Rs. 32,000 by employer)
- 12) Group insurance premium Rs. 2,880 paid by the company.

Calculate the amount qualifies for deduction U/S. 80C.

Note – Solve as per old regime

3. a) For the assessment year 2021-2022, compute income from house property on the basis of following information: -

**8**

Municipal valuation	Rs. 40,000
Municipal Tax (paid)	Rs. 8000

House was self occupied. It contains two units. But one unit of the House was let out @ Rs. 2,000 p.m. from 1-10-2020. In respect of the house the following expenses were incurred:-

Fire insurance premium	Rs. 800
Ground Rent paid	Rs. 1000
Land Revenue	Rs. 1200

A loan of Rs. 40,000 was taken on 1<sup>st</sup> April 2016 @ 15% p.a. for the construction of the house. The house was completed on 31-03-2018 and half the loan was refunded on 31-03-2020.

- b) Mr. Narendra is the owner of two houses which he use for his residential purposes. Compute his taxable income from house property for the assessment year 2021-2022. First house:- fair rental value Rs. 1,20,000 p.a. second house:- fair rental value Rs. 12,000 p.a. municipal tax paid @ 10% of fair rental value.

**8**

Interest paid for the previous year on the loan taken on 10-4-2016 for the purpose of the first house Rs. 1,60,000. He borrowed Rs. 40,000 @ 15% on 1-4-2019 for the construction of second house which was completed in Dec. 2019 He could not pay the interest during 2019-2022, hence paid interest this year for two years. (including interest on unpaid interest) Rs. 12,600.

Fire insurance premium paid Rs. 1,400 and Rs. 200 on the first and second house respectively.

**OR**

- c) Following are the particulars of house properties of Mr. Bharat, compute his income from house property. 8

Particulars	House – I	House – II
Construction started on	31-03-2012	10-07-2009
Construction completed on	31-03-2014	01-06-2011
	Rs.	Rs.
Annual Rent	5,000 p. m	3,500 p. m
Municipal valuation	56,400	40,000
Municipal tax	5,600	1,600
Interest on loan borrowed the renovate the building	3,400	Nil
Insurance premium	2,400	2,175
Ground rent	1,300	2,150
Vacancy period	Nil	2 Month
Unrealized Rent	5,000	Nil

Both the above house were let out for residential purposes. The assesses has satisfied all the conditions expenses of the first house and the municipal tax of the second house were paid by the tenant.

- d) Mr. Sachin owns a big house, the construction of which was completed in May 2017. 50% of the floor area is let-out for residential purpose on a monthly rent of Rs. 22,500, 25% of the floor area is used by the owner for the purpose of his profession, and rest 25% floor area is utilized for his residence. Other details are as follows:- 8

	Rs.
Municipal valuation	6,00,000
Standard rent	9,00,000
Municipal tax paid	80,000
Repairs	30,000
Interest on capital borrowed for repairs	3,00,000
Ground rent	8,000
Annual charges	10,000
Fire insurance premium	12,000

Compute his Income from House property.

4. a) From the following particulars of Mr. Somani, compute his total income from other source for the A.Y. 2021-22 8

	Rs.
i) Directors fees from a company	10,000
ii) Interest on Bank deposits	3,000
iii) Income from undisclosed sources	12,000
iv) Wining from lotteries (Net)	25,820
v) Rayalty on a book written by him	8,000
vi) By giving lectures in functions.	5,000
vii) Interest on loan given to a relative	7,000
viii) Interest on tax free debentures of a company (Listed in recognized stock exchange) net	2,694
ix) Dividend on shares	6,400
x) Interest on post office saving bank a/c	500
xi) Interest on Govt. Securities	2,200

He paid Rs. 20 for collection of dividends and Rs. 1000 for typing the manuscript of book written by him. Total amount spent on purchase of lottery tickets is Rs. 4,000.

- b) From the following particulars of Mr. Subhash for the previous year ended 31<sup>st</sup> march 2021 compute his income from other sources. 8
- i) 10%, Tax free relief Bonds Rs. 1,00,000
  - ii) 12% Bonds of Industrial Development Bank of India Rs. 2,00,000.
  - iii) 12% 1000 debentures of metro co. Ltd. Listed in Ahmedabad stock exchange, purchased at Rs. 96 each (face value Rs. 100)
  - iv) 10%, dividend on preference shares of Rs. 10 each, amounting to Rs. 1,50,000 paid on 31-03-2021
  - v) Interest (Net) on listed debentures Rs. 46,696
  - vi) Dividend from shares of foreign company (Gross) Rs. 13,000
  - vii) Rs. 40,000, 9% Bihar Govt. Loan.

**OR**

- c) On 31<sup>st</sup> March 2018 Mr. Ramesh Investment consisted of the following. 8
- 1) Dividend received Rs. 5,000 from co-operative society.
  - 2) 10% preference share of Roy Industries Rs. 10,000.
  - 3) 10% Govt securities Rs. 45,000
  - 4) 8% Agra municipal Bonds Rs. 25,000
  - 5) 12% Nagpur municipal bonds Rs. 35,000
  - 6) 7 year post office national saving certificate Rs. 10,000.
  - 7) 10%, Pakistan Govt. securities Rs. 80,000
  - 8) 7%, National plan certificate Rs. 6,000
  - 9) 8% securities of a foreign government Rs. 15,000.
  - 10) He spent Rs. 150 towards collection of interest and paid Rs. 800

- d) Following income are received by Mr. Sakhare during financial year 2020-21 8
- |   | Rs.   |
|---|-------|
| 1) Honorarium from writing articles   | 1,000 |
| 2) Income from agricultural land in Sri Lanka   | 2,500 |
| 3) He gets a painting by way of gift from Mr. Nana, The fair market value of painting is Rs. 60,000 |       |
| 4) Interest on post office saving A/c   | 1,000 |
| 5) Interest on F. D. of PNB   | 250   |
| 6) Dividend of co-operative society   | 350   |
| 7) Rent from sub-letting house  | 2,000 |
| 8) Repair of above sub – letting house  | 100   |
| 9) Winning from Horse race (Net)  | 5,600 |
| 10) Interest on 10% tax free debentures of Rs. 12,000 (listed)                                      |       |
- Compute income from other sources for assessment year 2019-2020

**5.** Write answer in brief:-

- a) How is 'income' defined? 4
- b) What is meant by 'perquisite'? 4
- c) How to determine net annual value? 4
- d) Write short note on 'PAN'. 4

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