



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

1. a) Explain the gross total income and total income. 8
b) Distinguish between assessment year & previous year. 8

OR

- c) Write the essential features of Agricultural income. 8
d) State the deductions covered U/S 80C. 8

2. a) The following particular is related to the income of Shri. Akhil Khanna for the previous year 2020-21. He is employed in a cotton textile mill at Pune on a monthly salary of Rs.50,000. He is also entitled to a commission @ 1% of sales effected by him. The sales effected by him during the year amounted to Rs. 40 lacs. He received the following allowances and perquisites during the previous year. 8
i) Dearness pay @ Rs.6,000 p.m. ii) Bonus @ two months basic salary
iii) Entertainment Allowance @ Rs.2,000 p.m. iv) House rent allowance @ Rs.5,000 p.m.
v) The employer paid Rs.10,000 towards the income tax liability of Shri. Akhil.
vi) The employer provided him LTC of Rs.35,000 for going to Simla.
vii) He has also been provided with gas electricity and water facility and employer spent Rs.15,000 on these
viii) He and his employer both contributed 15% of his salary to his recognized provident fund and interest credited to this fund @ 9% amounted to Rs.30,000 during the previous year.
ix) He spent Rs.6,000 per month as the rent of the house occupied by him in Pune.
Compute his income from salary for the assessment year 2021-22
(Note - Solve as per old Regime)

- b) Mr. 'X' an employee of a firm furnished the under noted particulars of his income for the year ended 31 March 2020. 8

	Rs.
i) Basic Salary	5,76,000
ii) Dearness Allowance	1,15,200
iii) Own contribution to recognized provident fund calculated on basic salary	80,640
iv) Employer's contribution to the said fund	80,640
v) Interest on balance in recognized provident fund (not exceeding the prescribed rate)	56,000
vi) Bonus	48,000
vii) He was provided with a small car for which the employer paid all the running and maintenance cost. The car was used for personal as well as office purpose.	
viii) Life insurance premium of Rs.48,000 was paid by Mr. 'X's employer on an insurance policy for Rs.9,60,000 on X's life.	

Compute Mr. X's taxable salary for the A.Y. 2021-22 (Note - Solve as per old Regime)

OR

- c) Compute taxable income under the head salary of Mr. Ramesh for the Assessment year 2021-22. 16
- i) Salary Rs. 60,000 p.m.
 - ii) D.A. Rs.10,000 p.m
 - iii) Entertainment Allowance Rs.1,000 p.m
 - iv) Employer's contribution to R.P.F. Rs.88,800 his own contribution was Rs.88,800.
 - v) Interest @ 10% p.a. on credit balance of RPF amounted to Rs.50,000
 - vi) City compensatory Allowance Rs.500 p.m.
 - vii) Medical Allowance Rs.1,200 p.m
 - viii) He has been provided with a large car for both official and personal use. Employer bears all the expenses of the car.
 - ix) He is provided an unfurnished house by the employer in a city (Population 12 lakh) The fair rental value of the house is Rs.90,000 p.a. Employer charges Rs.2,000 from him per month as rent.
- (Note - Solve as per old Regime)

3. a) Mr. Vikas is the owner of a house at Agra, particulars in respect of which for the year ended 31st March 2021 as below. 8

	Rs.
i) Actual rent received	45,000
ii) Municipal Valuation	42,000
iii) Total Municipal Tax	6,300
iv) Municipal tax paid by Mr. Vikas	4,200
v) Municipal tax paid by the tenant	2,100
vi) Interest on loan is taken for renewing the house	1,500
vii) Unrealised rent allowed in the Assessment year 2015-16 recovered during the year	20,000.

Compute Mr. Vikas's Income from House Property for the Assessment year 2021-22.

- b) Mr. Avinash is the owner of two houses. He has furnished the following particulars for the financial year 2020-21. 8

First House - Its Municipal valuation is Rs. 40,000. It is used by Avinash for his own residence. He paid Rs. 200 fire insurance premium and Rs. 4,000 municipal taxes. He also paid interest of Rs. 20,000 on loan was taken for the construction of this house.

Second House - Its Municipal valuation is Rs. 24,000 and standard rent is Rs. 30,000 (Rent control Act applicable). It has been let out at Rs. 3,000 per month. He made the following payments.

	Rs.
Municipal Tax	6,000
Repairs	1,000
Land Revenue	200
Legal expenses incurred to get the house vacated	500
Annual Charges	3,000

This house remained vacant for two months. Rs. 9,000 could not be recovered from the defaulting tenant. The tenant has vacated the house. The conditions of Rule 4 are satisfied. Compute his house property income for A.Y. 2021-22.

OR

- c) Mr. Ranade is the owner of house property in Nagpur. Its Municipal value is Rs.75,000, fair rent is Rs.1,00,000, Standard Rent is Rs.90,000. It has been let out for Rs.90,000 p.a. The municipal tax payable by the owner comes to Rs.10,000 but the landlord has taken an agreement from the tenant stating that the tenant would pay the tax directly to the municipality. The landlord however, bears the following expenses on tenant's amenities under an agreement. 8

	Rs.
Water Charges	1,000
Lift maintenance	1,000
Lighting of stairs	800
Gardener's salary	1,200
The landlord claims the following deductions -	
Repairs	30,000
Land revenue	1,000
Collection charges	2,000
Legal expenses incurred in connection with the	
Purchase of land on which the house is built	24,000

Compute the taxable income from house property for the assessment year 2021-22.

- d) Mr. Ram a resident of Chandrapur, owns two houses, particulars of which are as below: 8

	I House	II House
Standard rent	76,000	72,000
Municipal valuation	80,000	90,000
Fair rent	1,00,000	1,20,000
Defacto rent	-	90,000
Municipal taxes paid during the previous year	12,000	14,500
Fire Insurance premium	1,000	9,000
Water benefit tax (due but Outstanding)	1,200	1,500
Interest on loan is taken to construct the house	45,000	11,500
Rent of lease (due but outstanding)	1,500	1,500
Use of the assets	self occupied	Rented for residence

Ascertain the taxable income of Mr. Ram for the assessment year 2021-22 from the head 'House Property'. The house I is constructed in Feb. 2020 whereas the house II in 2010.

4. a) Mr. Mohit an ordinarily resident in India earned the following incomes during the financial year 2020-21. 8

	Rs.
Director fees	4,000
Income from Agricultural land in Pakistan	10,000
Ground rent for land in Pathankot	20,000
Interest on postal savings bank A/c	200
Interest on deposits with industrial finance corporation of India.	1,000
Dividend from foreign company	1,400
Rent from sub-letting a house	52,500
Rent payable by Mr. Mohit for the subletting house	24,000
Other expenses incurred on this sub-let house	2,000
Winning from Race-course	24,600
Interest on securities	8,000

You are required to calculate income from other sources of Mr. Mohit for the Assessment year 2021-22.

- b) Mr. Anil furnished the following particulars of his income for the previous year 2019-20 compute his income from other sources. 8

	Rs.
i) Dividend on equity shares	600
ii) Dividend on preference share (Gross)	3,200
iii) Income from letting on hire building & Machinery under one composite lease	27,000
iv) Interest on bank deposits	2,500
v) Director's sitting fees received	1,200
vi) Ground rent	600
vii) Income from undisclosed sources	10,000
viii) Winning from lotteries (Net) received	14,000
The following deductions are claimed by him:	
a) Collection charges of dividend	20
b) Allowable depreciation on building & machinery	4,000
c) Fire insurance on building & Machinery	100

OR

- c) Mr. Shankar Lal's particulars of income are as under - 8

- i) He took a house on the rent of Rs.1,000 p.m. and let it out again for Rs.1,600 p.m.
 - ii) Dividend from an Indian Company Rs. 4,000 (Gross)
 - iii) Received Rs.500 from cricket gambling.
 - iv) Agricultural income in Pakistan Rs.10,000 was not brought in India. Rs.18,000 income from agricultural land situated at Kanpur.
 - v) Share in H.U.F. income Rs.8,500
 - vi) Dividend received Rs.6,000 from co-operative society.
- Compute income from other sources for the Assessment year 2021-22

- d) Mr. Pravin's investment during the year ended 31 March 2021 consisted of the following. 8

	Rs.
i) 7% Government Securities	25,000
ii) 8% Agra Municipal Bonds	15,000
iii) 9% Bombay Port trust bonds	20,000
iv) 7% Govt. Bonds	18,000
v) 6% Securities of a foreign Government	15,000
vi) Interest credited to Sukanya Sumridhi A/c	3,000

He paid Rs.60 as commission for collection the taxable interest on securities and Rs.1,200 as interest on the loan which he had taken for the purpose of purchasing the Bombay port trust bonds. Find out his income from other sources.

5. Write short answer.

- a) Five heads of Income. 4
- b) Items included in salary. 4
- c) Deductible items from net annual value. 4
- d) Concept of Tax Deduction at Source (TDS). 4
