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SEAT No. :

PF-5764

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[6648]-746
S.Y. M.B.A.
FIN 615 MJ : Direct Taxation
(2024 Pattern) (Semester - III)

Time : 2½ Hours] *[Max. Marks : 50*

Instructions to the candidates:

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) Describe Perquisites and List any two Perquisites.

b) List the permissible deductions under the head 'Income from Salary' as per Old Tax Regime

c Explain Standard Deduction under the head 'Income from Let out Property' with an example

d) Describe Tax Evasion.

e) Define Previous Year. Give an example

f) List five heads of income used to compute net taxable income.

g) Select the correct answer from the following :

i) Which of the following best defines gross total income'?

I) The total income after tax deductions.

II) The sum of all incomes earned by an individual before any deductions.

III) The income earned solely from agricultural activities.

IV) The income that is exempt from taxation.

ii) Primary difference between the New and Old Income Tax Regime in India is :

I) The Old Regime allows for more deductions and exemptions, while the New Regime has lower tax rates without many deductions.

II) The New Regime is only applicable to corporate taxpayers, while the Old Regime applies to individuals.

III) The Old Regime is more complex and has higher tax rates than the New Regime.

IV) The New Regime requires dual taxation of income, whereas the Old Regime does not.

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h) Select the correct answer from the following :

i) What is the primary purpose of Section 80 in the Income Tax Act?

I) To outline the procedure for tax evasion

II) To detail the carry forward and set-off of losses

III) To provide deductions for specified investments

IV) To compute total income based on all heads

ii) Which of the following best describes tax planning?

I) The process of avoiding taxes through illegal means

II) The arrangement of financial affairs to minimize tax liability legally

III) The filing of tax returns after the due date

IV) The act of paying taxes in cash only

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

a) Distinguish between Short term and Long term Capital Asset

b) Significance of Residential Status in determining Tax Liability

c) Mrs. DNH, a resident Indian aged 60 years, a Cost and Management Accountant, shares the following information about his income during the financial year 2024-25:

i) Amount received from evaluation of answer books of professional examinations : ₹ 70,000. Expenses incurred relating to this assignment like cost of stationery, etc. ₹ 1200

ii) Income tax refund relating to AY 2023-24 ₹ 34,000 including interest amounting to 7000

iii) She received a Cash Gift from her friend ₹ 60,000 on her 60th birthday

iv) She received a Cash Gift ₹ 1,21,000 on account of her 60th birthday from Daughters.

v) Family Pension received ₹ 30,000 p.m.

Compute the income chargeable under the head 'Income from other Sources' in the hands of Mrs. DNH for AY 2025-26 assuming she has opted for New Tax Regime

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

a) Mr. Rohan Sharma, a resident individual aged 45 years is employed with XYZ Ltd, an Indian Company based in Chennai as Senior HR Manager since 1st April 2020. The details of his emoluments are as follows:

i) Basic Salary ₹ 95000 p.m.

ii) Dearness Allowance 15% of Basic Salary. It forms part of the salary for retirement benefits

iii) House Rent Allowance - ₹ 18000 p.m. (He pays ₹ 12,000 p.m. as rent)

iv) He received ₹ 51,000 in cash as Gift from his mother on his birthday.

v) City Compensatory Allowance ₹ 500 p.m.

vi) Transport Allowance ₹ 2,000 p.m.

vii) Children Education Allowance ₹ 800 p.m. (for 3 children)

You are required to compute 'Income from Salary' for the AY 2025-26 assuming he follows Old Tax Regime

OR

b) Mr. Rajesh is working in a transport company in Lucknow.

i) He gets a basic salary of ₹ 20,000 p.m.,

ii) Dearness allowance @ 60% of basic salary (forms part of retirement benefits),

iii) Entertainment allowance ₹ 400 p.m.,

iv) City compensatory allowance ₹ 500 p.m.,

v) Medical allowance ₹ 300 per month,

vi) Children education allowance 80 per month for 3 children each

vii) Project allowance ₹ 700 per month,

viii) Daily allowance ₹ 100 per month,

ix) House rent allowance ₹ 1,800 p.m.

x) He spent ₹ 4,000 in entertaining the visitors of the company and paid ₹ 4000 per month as rent of the house occupied by him for his residence.

xi) He spent ₹ 2,000 on medical treatment of his family.

You are required to compute 'Income from Salary' for the AY 2025-26 assuming he follows Old Tax Regime

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

a) Mr. Rajesh submits the following particulars about his house property for the previous year 2024-25 (AY 2025-26)

i) Municipal Valuation - ₹ 1,80,000

ii) Fair Rent - ₹ 1,85,000

iii) Standard Rent - ₹ 1,75,000

iv) Actual Rent per month - ₹ 13,000

v) Vacancy period 2 months

vi) Unrealised rent ₹ 13,500

vii) Municipal Taxes paid by assessee ₹ 3,500

Interest on loan taken for the property during the year amounts to ₹ 60,000.

Calculate the income from 'House Property' chargeable for AY 2025-26 assuming that he follows Old Tax Regime.

OR

b) During October 2024, Mr. AXE sells the following assets :

Description	**Non-listed Bonds**	**Gold**	**Shares (Non-listed)**
Date of Sale	March 31, 2025	September 10, 2024	September 17, 2024
Date of Acquisition	April 10, 2024	June 3, 1998	April 10, 2002
Sale Consideration	₹ 1,45,000	₹ 9,81,400	₹ 3,80,900
Cost of Acquisition	₹ 1,14,200	₹ 7,98,000	₹ 3,20,000
Fair Market Value on, April 1,2001	-	3,25,800	-

Income from Other Sources is ₹ 7,58,000.

You are required to compute the Taxable Income of Mr. AXE for AY 2025-26 assuming he did not opt for New Tax Regime.

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Q5) **Solve any one of the following :** **[10]**

a) Mr. Rohan Bisht, age 28 years, a leading Tax Consultant, maintains his books of accounts on cash basis. He provides the following particulars of his receipts and payments for the FY 2024-25 :

Receipts	**Amt (₹)**	**Payments**	**Amt (₹)**
Balance b/d	50,000	Purchase of Computer	80,000
Fees from Clients :		Car Expenses	75,000
•2024-25	18,00,000	Office Expenses	40,000
•2023-24	1,50,000	Salary to Staff	2,71,000
•2025-26	1,20,000	Car Purchased	5,50,000
Gift from Clients	98,000	Repairs of office premises	15,000
Winning from lottery	1,78,000	Miscellaeous Expenses	10,000
Share of Income from a Firm	2,85,000	Income tax paid	1,12,000
		Printing and Stationery	48,000
		Telephone and Internet Charges	60,000
		Balane c/d	14,20,000
TOTAL	**26,81,000**	**TOTAL**	**26,81,000**

i) Car is partly used for official purpose (40%) and partly for personal purpose.

ii) Depreciation applicable for Car and Computers is at the rate of 15%.

Determine the taxable income and tax liability of Mr. Rohan Bisht forAY 2025-26. He has opted for New Tax Regime under section 115 BAC.

OR

b) Following details are provided regarding the income of Mr. Mehta for the A.Y. 2025-26.

i) Income from Salary ₹ 12,60,000

ii) Income from Let-out House property ₹ 40,000

iii) Income from Consultancy ₹ 50,000

iv) Interest from investment ₹ 30,000

v) Interest on loan taken for Purchase of House Property that is occupied by him for personal use ₹ 1,50,000

vi) Investment into Equity Linked Saving Scheme (ELSS) ₹ 50,000

vii) Investment into PPF ₹ 25,000

viii) Contribution made to Recognised Provident Fund ₹ 48,000

ix) Insurance Premium on LIC policy ₹ 25,000

x) He has contributed ₹ 25,000 to Prime Minister's Drought Relief Fund

xi) He has paid Medical Insurance Premium of self, spouse and children ₹ 45,000

Compute the Taxable Income for the AY 2025-26 assuming he has opted for Old Tax Regime. Also find Income Tax liability.

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