M.Com Sem-3 (NOV, 2023)

25 Saturday
Day (176-189)

Personal Tax Planning

June

Ques: 1 (A) Mr. Prakash, an Indian citizen

P.Y 2022-23 AY: 2023-24

→ Total stay in India

April	30
May	31
June	30
July	31
Aug	31
Sep.	22
Total.	175 days.

⇒ Non-resident; He does not satisfy any of Basic conditions as he stayed in India during P.Y 2022-23 only for 175 days.

26 Sunday
Day (177-188)

⇒ In case of Indian citizen going abroad for employment purpose, the second basic condition becomes irrelavant as **182** days are to be substituted for 60 days.

Independence Day (Madagascar)

⇒ Due to this kind of Residential Status, He will be Non-Resident. So, Income received and Receivable India except this No Income will be Taxable.

Ques-1 (B) Write short note on: Tax Exemption, Deductions and Reliefs.

OR

Ques: 1 (A) Tax Computation of Mr. Manav

P.Y: 2022-23 A.Y: 2023-24

Particular	₹	₹
Total gross Salary	20,00,000	
Less: standard deduction U/S 16 (ai)	50,000	
	19,50,000	
Less: Deduction U/S 80 C (Maximum up to 1.5 Lacs)	1,50,000	
∴ Taxable income		18,00,000

* Tax calculation as per old Regime :-

→ Here, total taxable income is ₹ 18,00,000

up to ..... ₹ 2,50,000	Nil	Nil
₹ 2,50,001 to ₹ 5,00,000	5%	12,500
₹ 5,00,001 to ₹ 10,00,000	20%	1,00,000
₹ 10,00,001 to 18,00,000	30%	2,40,000
		3,52,500
Add: HEC @ 4%		14,100
Payable Tax.		₹ 3,66,600

• Ques - 2 A.Y : 23-24

Statement of Total Gross Income of Shri Manan

Particular	₹
1) Basic Salary $\left\{ \begin{array}{l} 40000 \times 7 = 280{,}000 \\ 50000 \times 5 = 250{,}000 \end{array} \right\}$	5,30,000
2) Dearness Allowance (@ 40 % of B.S)	2,12,000
3) Bonus (Oct, 2022 + D.A)	56,000
4) Employer's Contribution to P.F (excess 4%. of salary)	21,200.
5) Value of Motor Car (2400 x 5)	12,000
	8,13,200
Less: deductions :-	
• Standard deduction	50,000
• Prof. Tax	2,500
∴ Taxable Income.	7,78,700

* Note :-

↳ facility of laptop and Computer and LTC provided by employer is tax free (exempted).

Class-2 Calculation of Tax Liability of Mr. Gautam

Option-1 House-1 & House-2 are self Occupied.

Particular	House-1	House-2	House-3
Gross Annual Value	-	-	7,50,000
Less: M. Taxes Paid	-	-	39,600
Net Annual Value.	-	-	7,10,400
Less: Special deductions.			
(1) @ 30% of NAV	-	-	2,13,120
(2) Int. on Loan for repair / Purchase	-	1,10,000	3,50,000
∴ Taxable Income	-	(1,10,000)	147,280

As per Option-1 total tax liability will be ₹ 37,280.

(2) Long term Capital gain (Jewellery)		
Sales value of Jewellery	2,40,00,000	
Less: Indexed cost of Jewellery	1,07,93,478	
$\left[60{,}00{,}000 \times \frac{331}{184}\right]$		1,32,06,522
(3) Long term Capital gain (Residential House)		
Sales value of Residential House	1,20,00,000	
Less: Indexed cost of House	96,64,234	
$\left[40{,}00{,}000 \times \frac{331}{137}\right]$		~~23,35,766~~
	23,35,766	
Less: Invested in House	1,50,00,000	
		Nil
∴ Total LTCG Ans *		3,65,86,522

Ques: 3

Computation of Taxable Business Income of Mr. Kamal

PY: 2022-23 AY: 2023-24.

Particular	₹	₹
Net Profit		72,02,000
Add: Inadmissible Expenses:		
Salary to relatives	40,000	
Out standing GST	30,000	
Provision for Income tax	12,00,000	
Provision for Bad debt	20,000	12,90,000
Less:-		
Depreciation @15% (307500 - 280000)	27,500	
Bad debt recovered	20,000	(47500)
Taxable business profit		8444500

* Recomendations:-

→ for the purpose of tax planning, it is recommended for assessment year 2023-24, the assessee should ----

(1) Should make timely payment of GST
(2) Should reasonable payment of salary
(3) Should go for investment U/S 80 C upto ₹150,000.

Ques: 4 Total Taxable Income of Mr. Rahul

PY: 22-23 AY: 23-24

Particular	₹	₹
1) Income from salary		2,16,000
2) Income from other sources.		
• Interest on Gov. Securities	45000	
• Dividend from Indian Co.	5000	
• Honararium from school	49000	99000
Total Income		3,15,000
Less: Deductions:		
• U/S 80C PPF	20,000	
• U/S 80G for orphanage	20,000	
" for PMNRF	2,000	
• U/S 80D Mediclam	3,000	~~4~~45000
∴ Total Net Taxable Income		₹ 2,70,000

→ As he has not opted for New Regime under Sec-115 BAC, Old Regime tax rates will be applicable.

→ In old tax Regime income up to ₹2,50,000 is tax free.

250,000 to 500,000 @ 5%.

Income of Mr. Rahul is ₹ 2,70,000

So, Tax on ₹ 20,000 (2,70,000 - 250,000) @ 5%

= ₹ 1000

+ HEC @ 4%. 40

∴ $\boxed{\text{Total Tax} = ₹\ 1040}$

OR

Ques: 4 (A) Write short note on :

Income included under "Income from other Sources"

Ques : 4 (B) Write short note on :

Liability under Payment of Advance Tax.

Ques:5 MCQ :-

1) (D) Ordinary, not ordinary & NRI

2) (A) Ordinary Resident only.

*3) (B) 7,50,000

4) (D) Salary income

5) (D) ₹ 100 per Month, Per child max. up to 2 chil.

6) (A) Income from House Property

10 Sunday

Day (191-174)

Id-ul-Zuha (Bakrid), Hari Raya Haji (Malaysia, Singapore, Tanzania), Id el Kabir (Nigeria)

7) (D) Rent received from House Property including furniture, plant & Machinery etc.

8) (D) Profit from Speculative Business only.

9) (D) All Tangible & Intangible fixed assets to which same % of dep. is prescribed

10) (D) Personal use of Residential House.

11) (A) Profit & Gains from Business or Profession.

12) (A) ₹ 50,000