

2024

**TAXATION-I — HONOURS**

**Paper : CC-4.1 Ch**

**Full Marks : 80**

*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**

1. (a) Mention any two exceptional cases when income of the previous year is taxed in the same year.
- (b) Determine the status of the following persons :
  - (i) Calcutta University
  - (ii) A sole proprietorship business.
- (c) Mr. Dutta commenced a business on 17.09.23. Determine the previous year of Mr. Dutta. 2+2+1

**Or,**

State with reasons in brief, whether the following incomes are agricultural income or not :

- (i) Profit earned from sale of agricultural land.
  - (ii) Income from agriculture from a land situated in Bangladesh.
  - (iii) Interest on capital received by a partner from the firm engaged in agricultural operations.
  - (iv) Income earned from the sale of tea grown and manufactured by the assessee.
  - (v) Rent received by way of leasing of a land for grazing of cattle required for agricultural operations. 5
2. Mr. S. Paul, an Indian citizen, left India for the purpose of employment in Japan for the first time on 1st October, 2023. He came back to India on 30th March, 2024 for visit and returned back to Japan after staying 20 days in India. During the previous year 2023-24, he earned the following income :
    - (i) Salary earned in Japan ₹ 6,00,000 and credited in Japan.
    - (ii) Interest received in India out of fixed deposit in Bank ₹ 80,000.Determine his residential status and tax incidence in India for the assessment year 2024-25. 3+2
  3. Megha submits the following information for the financial year 2023-24 :
    - (i) Dividend received from an Indian company ₹ 30,000; interest paid on capital borrowed for the purpose of investment in such shares ₹ 2,000.

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(ii) Winnings from lottery ₹ 35,000 (net after tax @ 30%).

(iii) Cash gift of ₹ 2,00,000 received from her father.

(iv) She has taken a house from Mr. Banik at a monthly rent of ₹ 2,000. Half portion of this house was sublet on a monthly rent of ₹ 1,250 p.m. She also paid repair charges of ₹ 200 on the said property.

Compute her 'Income from other Sources' for the assessment year 2024-25.

1+1+1+2

4. State the provisions of the Income Tax Act regarding clubbing of income of minor with the income of parents.

5

Or,

Mr. Rudrasish Chakraborty (age 62 years), who is a person with disability, submits the following information for the previous year 2023-24 :

	₹
(i) Income from House Property (computed)	7,00,000
(ii) Interest on Savings Bank deposits	70,000
(iii) NSC (VIII Issue) purchased during the year	1,40,000
(iv) Accrued interest on NSC (including last year's interest ₹ 10,000)	40,000
(v) Repayment of home loan to SBI (including interest ₹ 80,000)	1,00,000
(vi) Donation to Ramkrishna Mission	20,000

Compute the amount of deduction available to Mr. Chakraborty under Chapter VIA (i.e., sec. 80C-80U) of the Income Tax Act. Assume that he does not opt to be taxed u/s 115BAC.

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### Group - B

5. CA Soumyajit Sarkar is a practising Chartered Accountant. From the following Receipts and Payments Account, compute his Income from profession for the A.Y. 2024-25 :

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Receipts	Amount (₹)	Payments	Amount (₹)
Balance b/f	10,000	Rent of Premises	45,000
Audit Fees	5,25,000	Salary to Office Staff	60,000
Income from accounting works	2,60,000	Motor car expenses	40,000
Gift from Clients	10,000	Life insurance premium	15,500
Interest on savings bank account	15,000	Electricity charges of the premises	13,500
		Household expenses	1,20,000
		Purchase of Motor Car	5,00,000
		Donation to National Defence Fund	10,000
		Membership fee to Institute of Chartered Accountants of India	5,000
		Balance c/f	11,000
	<b>8,20,000</b>		<b>8,20,000</b>

### Other information :

- (i) Rent is in respect of premises for own residence and the  
(ii) Half of the motor car ex  
(iii) W.D.V. of motor car as was ₹ 30,000. New motor @ 15% p.a.

- (a) X Ltd. furnishes the f

W.D.V. of Machinery  
New Machinery pur  
New Machinery pur  
Machinery sold on  
All the assets wer  
additional depreci  
as on 31.03.24.

- (b) Neel started a bu  
(i) Two bear  
(ii) Paid ₹ 25  
(iii) Paid ₹ 4  
(iv) ₹ 25,000

Discuss the assessment y

6. (a) For computi  
(b) For comput  
cost of acqu  
(c) Pritam sub

Nature
Gold
Share
Rural

Out of t  
property

**Other information :**

- (i) Rent is in respect of premises occupied by Soumyajit. Two-third of the premises were used by him for own residence and the remaining one-third was used for office.
- (ii) Half of the motor car expenses related to personal use.
- (iii) W.D.V. of motor car as on 01.04.2023 was ₹ 40,000. Sale proceeds of old motor car on 31.12.2023 was ₹ 30,000. New motor car was purchased on 01.01.2024. Depreciation allowable on motor car @ 15% p.a.

**Or,**

- (a) X Ltd. furnishes the following particulars for the year ended 31.03.24 :

	₹
W.D.V. of Machinery on 01.04.2023	15,00,000
New Machinery purchased on 01.08.23	20,00,000
New Machinery purchased on 01.01.24	5,00,000
Machinery sold on 15.01.24	10,00,000

All the assets were put to use immediately. Rate of depreciation on machinery is 15%. Rate of additional depreciation is 20%. Compute allowable depreciation and the W.D.V. of block of assets as on 31.03.24.

- (b) Neel started a business on 15.05.2023. He incurred the following expenses :

- (i) Two bearer cheques of ₹ 15,000 and ₹ 10,000 were issued to a supplier on 10.10.2023.
- (ii) Paid ₹ 25,000 to National Laboratory for carrying scientific research.
- (iii) Paid ₹ 40,000 in cash on 25.06.2023 to a cultivator for the purchase of paddy from him.
- (iv) ₹ 25,000 interest on loan taken from LIC was paid by account payee cheque on 05.06.2024.

Discuss the admissibility of the above expenses in computing income from business for the assessment year 2024-25.

6+4

6. (a) For computing capital gains, mention any one situation when cost of acquisition is nil.
- (b) For computing capital gains, state any one case where fair market value should be considered as cost of acquisition.
- (c) Pritam submits the following particulars for the year 2023-24 :

Nature of asset	Date of purchase	Cost (₹)	Market value as on 01.04.2001 (₹)	Date of sale	Sale Price (₹)
Gold	10.11.2012	2,00,000	1,00,000	02.03.2024	5,00,000
Shares (listed)	15.02.2023	80,000	—	25.10.2023	1,00,000
Rural agricultural land	10.05.1990	2,00,000	5,00,000	05.01.2024	25,00,000

Out of the sale proceeds of gold, Pritam invested ₹ 2,00,000 on the purchase of residential house property on 10.05.2024. On the date of sale of gold, he owned only one residential house property.

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The shares were sold through a recognised stock exchange after paying Securities Transaction Tax.

Compute taxable capital gain for the assessment year 2024-25. CII for the previous years 2001-02, 2012-13 and 2023-24 was 100, 200 and 348 respectively. 1+1+8

Or,

- (a) Write a short note on exemption u/s 54EC.  
 (b) Mr. Sen furnishes the following information for the previous year 2023-24 :

	Residential House Property at Gobardanga	Gold
Date of acquisition	Dec. 20, 2015	Apr. 18, 2009
Cost of acquisition	₹ 8,00,000	₹ 10,00,000
Date of sale	Mar. 15, 2024	Sept. 25, 2023
Sale proceeds	₹ 45,00,000	₹ 30,00,000
Brokerage on sale	2%	2%

During the previous year 2023-24, Mr. Sen purchased a residential house property in Kolkata for ₹ 15,00,000. Compute his taxable income from capital gains for the assessment year 2024-25.

[CII 2023-24 : 348; 2014-15 : 240; 2009-10 : 148] 3+7  
 [ 2022-23 : 331; 2015-16 : 254; 2008-09 : 137 ]

7. (a) Discuss the provisions of the Income Tax Act relating to carry forward and set off of losses under the head 'Capital Gains'.  
 (b) Utsab submits the following information for the previous year 2023-24 :

	₹
(i) Income from Business X (Speculative)	4,20,000
(ii) Loss from Business Y (Speculative)	6,10,000
(iii) Income from Business Z (Non-speculative)	10,00,000
(iv) Income from house property	1,50,000
(v) Long-term capital loss	95,000
(vi) Short-term capital gain	1,75,000
(vii) Brought forward loss from house property (relating to A.Y. 2023-24)	1,20,000
(viii) Brought forward loss of Business Z relating to A.Y. 2015-16	50,000

Compute total income of Utsab and losses to be carried forward.

3+7

## Group - C

8. Mr. Sen, an employee of a Private Limited Company furnishes the following particulars of his income for the previous year 2023-24. Compute his income from salary for the assessment year 2024-25. Ignore Section 115BAC. 15

- (i) Basic Pay ₹ 45,000 p.m.
- (ii) Dearness allowance @ 40% of basic pay (50% of which forms part of salary for retirement benefits).
- (iii) Children Education allowance ₹ 600 p.m. (He has one child).
- (iv) Remuneration from Calcutta University for some special assignment ₹ 3,000.
- (v) Medical allowance ₹ 3,000 p.m. and bonus ₹ 20,000 p.a.
- (vi) House rent allowance ₹ 5,000 p.m. He paid rent of ₹ 8,000 p.m. for his accommodation in Kolkata.
- (vii) He is a member of a recognised Provident Fund and contributed 14% of his salary. His employer also contributed 14% of his salary to the provident fund.
- (viii) Interest credited @ 13% p.a. amounted to ₹ 7,800.
- (ix) Employer paid his professional tax of ₹ 1,200 and income tax of ₹ 5,000.
- (x) He is provided with a 14 H.P. car owned by employer along with driver. The car has been used for both private and official purposes. Entire expenses were borne by employer.
- (xi) Life Insurance premium of ₹ 30,000 on a policy on his life was paid by employer, the sum assured being ₹ 5,00,000.

Or,

- (a) Rahul, a private sector employee covered by the Payment of Gratuity Act, 1972, retired on January 31, 2024 after a continuous service of 25 years and 10 months and received gratuity of ₹ 15,00,000 on March 05, 2024. His basic pay and dearness allowance for the month of January, 2024 was ₹ 80,000.  
Compute the amount of gratuity taxable in the hands of Rahul for the assessment year 2024-25.
- (b) Rupsa retired on 31st January, 2024, from a private concern, after completion of 32 years 10 months of service. She was entitled to 25 days leave for each completed year of service. She availed 10 months leave during her service life. Her basic pay was ₹ 20,000 p.m. from 01.04.2023 and D.A. is 50% of basic pay (forming part of salary). She received ₹ 5,00,000 as encashment of leave salary from her employer.  
Calculate the amount of leave salary chargeable to tax in the hands of Rupsa for the assessment year 2024-25.
- (c) On 01.04.23 an accommodation was provided to an employee in Kolkata by her employer who also provided furniture for the accommodation costing ₹ 2,00,000. Salary of the employee for the purpose of valuation of accommodation is ₹ 6,00,000. 6+6+3

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9. Khushi Singh is the owner of three house properties in Kolkata. The particulars regarding the house properties for the previous year 2023-24 are given below :

	House No. 1	House No. 2	House No. 3
How used	Own business (₹)	Let-out (₹)	Self-occupied (₹)
Gross Municipal Value	4,00,000	1,20,000	5,00,000
Fair Rent	4,25,000	1,40,000	6,00,000
Standard Rent	4,10,000	1,35,000	5,50,000
Rent Receivable	—	12,000 p.m.	—

**Additional information :**

- (i) Municipal tax is assessed at 10%.
- (ii) Municipal tax of House No. 2 for first two quarters were paid by the tenant and that of third quarter was paid by the owner. Municipal tax of House No. 2 for last quarter still remain unpaid.
- (iii) House No. 2 remained vacant for one month.
- (iv) On April 01, 2018 Khushi took a loan of ₹ 15,00,000 @10% p.a. for construction of House No. 3 which was completed on June 30, 2020. As on March 31, 2024, the loan remained unpaid.
- (v) Khushi recovered unrealised rent of ₹ 20,000 from an old tenant for the year 2020-21 on March 15, 2024. Her expenses in relation to such recovery amounts to ₹ 2,000.

Compute income from house property of Khushi Singh for the assessment year 2024-25. Assume that she has not exercised option for Section 115BAC.