

This question paper contains 3 printed pages]

**IW—03—2023**

**FACULTY OF LAW**

**PGD In Taxation Law EXAMINATION**

**APRIL/MAY, 2023**

**PRINCIPLE OF INCOME TAX AND LAW**

Paper I

**(Wednesday, 3-5-2023)**

**Time : 2.00 p.m. to 5.00 p.m.**

*Time—Three Hours*

*Maximum Marks—80*

*N.B. :— (i) Question No. 1 is compulsory and any four from the remaining questions.*

*(ii) All questions carry equal marks.*

*(iii) Calculator is allowed for calculation purpose.*

1. (a) Mr. X receives the following allowances during the previous year 2022-23 :

<b>Particulars</b>	<b>Rs.</b>
(1) High cost of living allowance	20,000
(2) City compensation allowance	7,500
(3) Helper allowance (Expenditure Rs. 1,200)	1,280
(4) Children Education allowance (Expenditure Rs. 15,000)	12,000
(5) Conveyance allowance (50% personal)	15,000
(6) Overtime allowance	500

Compute the taxable portion of allowances for financial year 2022-23.

P.T.O.

- (b) Mr. R, who lives in Nanded, receives Rs. 1,00,000 per annum as basic salary, and Rs. 30,000 per annum as dearness allowance (2/3rd of is forming part of salary) and he also receives commission Rs. 1,000 per month, bonus 15,000 per annum and HRA 24,000 per annum (Rent paid in Nanded Rs. 30,000).

Note : Commission Rs. 12,000 is on purchase.

Compute HRA exemption. 4

2. (a) Explain the residential status of individual and its incidence of tax. 8

(b) What is perquisite ? Explain the provisions of rent free accommodation. 8

3. Ganesh has a property whose municipal valuation is Rs. 2,50,000 per annum. The fair rent is Rs. 2,00,000 per annum and the standard rent fixed by the rent control Act is Rs. 2,10,000 per annum the property was let out for a rent of Rs. 20,000 per month. However, the tenant vacated the property on 31.01.2023 unrealised rent was Rs. 20,000 and all conditions prescribed by rule 4 are satisfied. He paid municipal taxes @ 8% of municipal valuation interest on borrowed capital was Rs. 65,000 for the year. Compute the income from house property of Ganesh for AY 2023-24 16

4. (a) Explain disallowances under section 43B. 8  
(b) Explain in detail the provisions of section 44AD and 44ADA. 8
5. (a) Explain the provisions of section 54 and section 54F. 8  
(b) Explain the provisions of section 54EC and section 54B. 8
6. (a) Explain *four* situations under clubbing of income. 8  
(b) Explain receipts without consideration to be treated income u/s 56 (2) with example. 8
7. Explain in detail provisions relating to partnership firm with an example on remuneration to working partners and also explain what is meant by working partner ? 16
8. Explain the provisions of inter head adjustments and inter source adjustment. 16
9. Write short notes on (any *four*) : 16
- (a) Education allowance and hostel allowance  
(b) Define person  
(c) House rent allowance  
(d) General deduction u/s 37(1)  
(e) Assessment year and previous year  
(f) Rate of tax for individual whose age above 60 years  
(g) Working partner and sleeping partner.