



Seat No. : _____

DS-104

December-2025

Int. M.B.A., Sem.-III

KS-MBA-AEC-235 : Direct Tax

Time : 1:00 Hour]

[Max. Marks : 25

1. Mr. Mallanna, a production manager of an industrial unit of a company in Chennai. The particulars of his salary income are as under : **10**

- Basic salary : 15,000 p.m.
- Dearness allowance (Given as terms of employment) : 5,000 p.m.
- Entertainment allowance : 1,000 p.m.
- Medical allowance : 500 p.m.
- HRA : 4,000 p.m.
- Rent paid for the house : 5,000 p.m.

Car of 1.2 Litre capacity provided by employer for private and official use. Employer meets expenses of car. HRA employer (each) contribute 15% of salary to RPF. Compute Income under the head salary under Existing Tax Regime and Alternative Tax Regime.

OR

1. (A) Explain the provision related to gratuity and pension. **5**

(B) Mr. Frank, a citizen of West Indies was appointed as sales manager in India on 1st April, 2019 at Mumbai. On 25th January, 2022 he went to Uganda on deputation for a period of 3 year, but left his wife and children in India. On 1st May, 2023 he came to India and took with him his family to Uganda on 30th June, 2023. He returned to India and joined his original job on 24th January, 2025. Determine the residential status of Mr. Frank for the assessment year 2025-26. **5**

2. (A) Mahesh (resident) owns a big house, the construction of which was completed in May 2015, 50% of the floor area is let out for residential purposes on a monthly rent of 9,600. However, this portion remained vacant for one month during 2023-24, 25% of the floor area is used by the owner for the purpose of his profession, while remaining 25% of the floor area is utilised for the purpose of his residence.

Other particulars of the house are as follows :

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Municipal Valuation	1,80,000
Standard rent	2,70,000
Municipal taxes paid	36,000
Repair	9,000
Interest on capital borrowed for repairs	84,000
Ground rent	12,000
Annual charges	18,000
Fire insurance premium	3,600

Compute the income from house property of Mr. Mahesh for the A.Y. 2024-25. (Ignore Alternative Tax Regime under Section 115BAC).

- (B) Mr. Luv purchased an asset on 01-01-1989 for ₹ 3,00,000 (FMV as on 01-04-2001 is ₹ 6,00,000).

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Cost of improvement incurred by Mr. Luv as on : (i) 01-01-1991 = 2,25,000, (ii) 01-01-2005 = 1,50,000.

Mr. Luv gifts the asset to Mr. Kush on 01-01-2008. Mr. Kush incurred cost of improvement on the said asset on 10-01-2010 for ₹ 75,000, Mr. Kush gifts the asset to Mr. Himesh on 01-01-2011. Cost of Improvement incurred by Mr. Himesh on 01-01-2015 is 90,000. Mr. Himesh sells the asset on 01-01-2024 for 1,05,00,000. Compute the value of capital gain.

Cost inflation index : 2004-05 = 113; 2009-10 = 148; 2014-15 = 240.

OR

2. Following is the Receipts and Payments Account of Mr. Raj Shah (resident) a lawyer, for the year ended 31-03-2024 :

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Receipts	Amount	Payments	Amount
To Balance b/d	30,000	By Staff salaries	1,68,000
To Arbitration fees	7,20,000	By Professional books	54,000
To Legal counselling fees	90,000	By Subscription to Journals	6,000
To Loan from bank	75,000	By Refreshment charges	12,000
To Rent from property	1,35,000	By Rent of office	45,000
To Interest on bank FD	63,000	By Telephone charges	54,000
To Dividend from Tata Ltd.	24,000	By Printing charges	9,000
To Share of Income from HUF	3,00,000	By Electric charges	18,000
		By Purchase of car	7,50,000
		By Computer purchased	1,50,000
		By Car expenses	21,000
		By Contribution to PPF	30,000
		By NSC purchased	42,000
		By BAR association fees	6,000
		By Balance c/d	72,000
	14,37,000		14,37,000

Additional Information :

- (I) 1/2 of the car expenses pertain to personal use.
 (II) Depreciation rate-car 15%, computer 40% and books 40%.
 (III) 25% of telephone expenses pertain to personal use.
 (IV) Half of the electric charges are for the house property.
 (V) Gifts from clients ₹ 30,000 not included in the above account.
 (VI) Loan from Bank is for personal use.

Compute his total income from profession for the A.Y. 2024-25. (Ignore Alternative Tax Regime)

3. Answer the Following Questions :

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- (1) Write a note on RPF and URPF.
- (2) Shri Ram has the following investments for the year ended 31-3-2024 :
 - (a) Dividend from Indian company 16,000.
 - (b) 3,20,000 in post office savings Bank account which earns the interest @ 5% p.a.
 - (c) ₹ 3,60,000 10% debentures of Municipal Corporation.
 - (d) 14% State Electricity Board Bonds 1,20,000.
 - (e) 2,00,000 fixed deposits with State Bank of India at 8% p.a.

Compute the income from sources of Shri Ram from the above investment for the assessment year 2024-25. (Ignore Alternative Tax Regime under Section 115BAC)
