

Shree Narayana College of Commerce

Bachelor of Commerce

Semester – 4

Subject Code – DSC C Tax 243

Academic Year – 2024-25

Subject – Taxation -2

Unit-1 Profit and Gains of Business or Profession

1. Receipts and Payments of Dr. Hathi for the year ended on 31-03-2024

Receipts	Rs.	Payments	Rs.
Visit fees	4,80,000	Rent of Dispensary	2,16,000
Consultation fees	4,50,000	Staff Salary	2,70,000
Sale of medicines	90,000	Rent of consulting room	72,000
Rent income of operation theatre	2,40,000	Electricity	45,000
Dividend	42,000	Medical journal	15,000
Interest on Treasury Saving Certificate	15,000	Purchase of surgical instruments	60,000
Gift from patients	1,00,000	Diwali Expenses	30,000
Sale of surgical instruments	28,000	Purchase of medicines	60,000
		Motor car expenses	1,08,000
		Audit fees	6,000
		Association fees	1,800

Additional Information

- Half of the use of the motor car is for personal use.
- Total depreciation on the car is Rs. 24,000.
- Opening and Closing stock of medicines were Rs. 32,000 and Rs. 12,000, respectively.
- Depreciation on surgical instruments is 20%. Opening balance (W.D.V.) of surgical instruments was Rs. 48,000.
- Rs. 20,000 of gifts received from patients has not been recorded in the books.

Prepare a statement showing taxable income from the profession of Dr. Hathi for the A.Y. 2024–2025.

Ans - **Taxable Income under the head 'Profits and Gains of Business and Profession':
Rs. 5,62,200**

2. **Profit and Loss Account of Mr. Mohanlal (aged 67 years).** For the year ended on March 31, 2024.

Compute his total income and tax liability for the assessment year 2024–25.

Particulars (Dr.)	Rs.	Particulars (Cr.)	Rs.
To Salary	9,00,000	By Gross Profit	20,80,000
To General Expenses	60,000	By Bad Debt Recovered (not allowed as deduction in earlier year)	40,000
To Advertisement	30,000	By Interest on Bank Deposit (Net)	36,000
To Interest on Capital @ 12%	48,000	By Rent Received	72,000
To Interest on Bank Loan	60,000		
To Provision for Bad Debt	20,000		
To Depreciation	70,000		
To Advance Income Tax	40,000		

To Stationery	10,000		
To Life Insurance Premium	50,000		
To Maintenance of Car	1,40,000		
To Net Profit	8,00,000		
Total	22,28,000	Total	22,28,000

Additional Information

- Salary includes the salary drawn by Mohanlal: **Rs. 72,000**.
- Depreciation allowable as per income tax rules: **Rs. 60,000**.
- Life insurance premium is paid for the life of Mr. Mohanlal's wife (Policy value: Rs. 16,00,000).
- 25% of car usage is for personal purposes.**

Answer:

Taxable Business Profit: Rs. 9,27,000

Notes:

- Additions to Profit:
 - Rs. 72,000 (Salary) + Rs. 48,000 (Interest on Capital) + Rs. 20,000 (Provision for Bad Debt) + Rs. 10,000 (Stationery) + Rs. 50,000 (Life Insurance Premium) + Rs. 35,000 = Rs. 2,75,000.
- Deductions:
 - Rs. 1,48,000 (for personal car usage and other disallowances) from the reported profit of Rs. 8,00,000.
- Premium on the wife's life insurance policy can be considered for deduction under Section 80C from the total gross income.

3. Profit and Loss Account of Mr. Parth for the year ended on 31st March 2024

Dr. Particulars	Rs.	Cr. Particulars	Rs.
To Salary	10,08,000	By Gross Profit	24,44,000
To Bad Debt Reserve	5,000	By Bad Debt Recovered	30,000
To General Reserve	3,000	By House Rent	10,000
To Bad Debt	4,000	By Interest and Dividend	26,000
To Sales Expenses	5,000	By Commission (earned for working as arbitrator)	5,000
To Interest on Loan	6,000		
To Interest on Capital	7,000		
To Income Tax	10,000		
To Office Expenses	47,000		
To Depreciation on Computer	20,000		
To Net Profit	9,00,000		
Total	25,15,000	Total	25,15,000

Additional Information

- 40% of the Bad Debt Recovered** relates to bad debt not allowed as business expense in past years.
- Interest on loan is **outstanding Rs. 4,000**, which is not recorded in the Profit and Loss Account.

3. **Unrecorded business income** is Rs. 1,25,000.
4. **Written Down Value (WDV) of Motor Car** on 1-4-2023 was Rs. 80,000, which was sold on 15-1-2024 for Rs. 80,000. A new motor car was purchased on 1-1-2024 for Rs. 3,00,000. **Admissible depreciation on the motor car is 20%.**
5. Salary includes Rs. 12,000 paid to the wife of Mr. Parth. She does not render any service to the business.

Task:

Calculate taxable income from business and profession for the A.Y. 2024–2025.

Answer:

Taxable Income under the head 'Profit and Gains of Business or Profession': Rs. 9,82,500.

Notes:

1. **Start with Net Profit as per Books:** Rs. 9,00,000
 - **Add:** Rs. 37,000 of inadmissible expenses:
 - Rs. 12,000 (Salary to wife) + Rs. 5,000 (Bad Debt Reserve) + Rs. 3,000 (General Reserve) + Rs. 7,000 (Interest on Capital) + Rs. 10,000 (Income Tax).
2. **Deduct Rs. 53,000** of incomes not taxable under this head:
 - Rs. 12,000 (House Rent) + Rs. 10,000 (Interest on Dividend) + Rs. 26,000 (Interest and Dividend) + Rs. 5,000 (Commission).
3. **Adjustments:**
 - Add **unrecorded business income:** Rs. 1,25,000.
 - Deduct **unrecorded interest on loan:** Rs. 4,000.
4. **Depreciation on Motor Car:**
 - **Opening WDV:** Rs. 80,000
 - **New car purchased:** Rs. 3,00,000
 - Total WDV: Rs. 3,80,000
 - **Sale proceeds of old car:** Rs. 80,000
 - Depreciable value: Rs. 3,00,000
 - Depreciation: $\text{Rs. } 3,00,000 \times 15\% \times 50\% = \text{Rs. } 22,500$

4. The Income and Expenditure Account of Dr. Ramesh Dave for the previous year 2023–24

Expenditures	Rs.	Incomes	Rs.
To Staff Salary	30,48,000	By Income from Nursing Home (surgical)	37,20,000
To Marriage Expenses of Son	1,72,000	By Income from Operations	4,90,000
To Electricity	64,000	By Dividend (Gross)	6,000
To Purchase of Medicine and Stores	66,000	By Interest of Treasury Saving Certificate	2,000
To Telephone Expenses	10,000	By Consultation Fees	52,000
Rent of Nursing Home	36,000	By Winning from Lottery	6,000
Depreciation of Instruments	12,000	By Birthday Gift (of a Minor Son)	61,000
Depreciation of Other Assets	2,000	By Rental Income of House Property	92,000
Local Taxes	8,000		

Rent of Equipment	4,000		
Insurance Premium	14,000		
Excess of Income over Expenses	9,93,000		
Total			

Additional Information

1. Salary includes Rs. 1,20,000 paid to his wife, who is a qualified nurse and attends duty on weekends only.
2. Allowable depreciation:
 - **Surgical Instruments:** Rs. 20,000
 - **Other Assets:** Rs. 1,500
3. Municipal taxes include Rs. 3,000 paid for his property, which is let out.
4. Honorarium of Rs. 72,000 is received as a visiting professor.
5. Insurance premium includes:
 - Rs. 4,000 as Mediclaim Insurance (self)
 - Rs. 2,000 as Life Insurance Premium.

Task:

Compute the taxable income of Mr. Dave from business and profession for the A.Y. 2024–25.

Answer:

Taxable Income under the head 'Profits and Gains of Business or Profession': Rs. 9,99,500

Notes:

1. **Incomes Added:**
 - Nursing Home Income: Rs. 37,20,000
 - Income from Operations: Rs. 4,90,000
 - Consultation Fees: Rs. 52,000
 - Total Income: Rs. 42,62,000**
2. **Permissible Expenses Deducted:**
 - Staff Salary: Rs. 30,48,000
 - Electricity: Rs. 64,000
 - Medicines: Rs. 66,000
 - Telephone: Rs. 10,000
 - Rent of Nursing Home: Rs. 36,000
 - Allowable Depreciation: Rs. 20,000 + Rs. 1,500
 - Local Taxes (Nursing Home): Rs. 5,000
 - Rent of Equipment: Rs. 4,000
 - Insurance Premium: Rs. 8,000
 - Total Permissible Expenses: Rs. 32,62,500**
3. **Taxable Income Calculation:**
Rs. 42,62,000 - Rs. 32,62,500 = Rs. 9,99,500

Unit-2

(A) CAPITAL GAIN

1. SUM. 5 PG NO. 150 SHRI ASHISH PANDYA PROVIDES THE FOLLOWING DETAILS PERTAINING TO THE PREVIOUS FINANCIAL YEAR 2023-24:

GIVEN DATA:

- COST INFLATION INDEX (CII) FOR F.Y. 2023-24: 348

Sr. No.	NAME OF ASSET	DATE OF SALE	SALE PRICE (RS.)	DATE OF PURCHASE	PURCHASE PRICE (RS.)	TRANSFER CHARGES (RS.)	CII OF YEAR OF PURCHASE
1	SELF-RESIDENTIAL HOUSE (ONLY ONE) - KOTAK MAHINDRA	31-12-2023	60,58,000	01-07-1990	1,80,000	15,000	100
2	BANK'S 400 LISTED EQUITY SHARES	01-01-2024	5,36,808	01-08-2005	1,20,000	-	117
3	TISCO'S LISTED 250 EQUITY SHARES	01-02-2024	2,47,000	01-02-2014	4,48,000	-	230
4	JEWELLERY	31-03-2024	60,23,360	01-12-2005	15,95,880	10,000	117

ADDITIONAL INFORMATION:

- FAIR MARKET VALUE (FMV) OF THE SELF-RESIDENTIAL HOUSE AS OF 01-04-2001: RS. 16,00,000
- THE SHARES OF BOTH COMPANIES (KOTAK MAHINDRA BANK & TISCO) WERE SUBJECT TO S.T.T. (SECURITIES TRANSACTION TAX) ON THE RESPECTIVE DATES OF SALE.
- FAIR MARKET VALUE (FMV) OF KOTAK MAHINDRA BANK SHARES ON 31-01-2018: RS. 1,113 PER SHARE
- FAIR MARKET VALUE (FMV) OF TISCO SHARES ON 31-01-2018: RS. 747.25 PER SHARE

REQUIREMENT:

COMPUTE THE TAXABLE CAPITAL GAIN FOR THE ASSESSMENT YEAR (A.Y.) 2024-25.

2. SUM MO. 6 PG. No. 151

KU. SHITAL KUMARI SOLD THE FOLLOWING ASSETS DURING THE FINANCIAL YEAR ENDING 31ST MARCH 2024:

GIVEN DATA:

Sr. No.	ASSET	DATE OF PURCHASE	PURCHASE PRICE (RS.)	DATE OF SALE	SALES PRICE (RS.)	TRANSFER EXPENSE (RS.)
1	RESIDENTIAL HOUSE (ONLY ONE)	10-07-1970	2,00,000	10-06-2023	56,03,750	33,750
2	X LTD. SHARES (UNLISTED)	01-08-2011	1,52,168	01-10-2023	3,29,505	1,800
3	Y LTD. SHARES (UNLISTED)	01-12-2000	2,00,000	01-10-2023	7,35,500	1,500
4	JEWELLERY	01-10-2004	7,50,000	21-09-2023	29,70,080	3,000
5	DEBENTURES	10-07-2004	2,00,000	02-02-2024	2,42,000	2,000
6	MOTOR CAR (PERSONAL USE)	15-10-2011	3,10,000	12-12-2023	2,75,000	-
7	NEW FLAT	30-12-2023	10,00,000	-	-	-

ADDITIONAL INFORMATION:

1. ADDITIONAL CONSTRUCTION COST (2014-15) FOR RESIDENTIAL HOUSE: RS. 2,40,000
2. FAIR MARKET VALUE (FMV) OF ASSETS AS OF 01-04-2001:
 - RESIDENTIAL HOUSE: RS. 14,00,000
 - JEWELLERY: RS. 9,35,075
 - Y LTD. SHARES: RS. 1,60,000
3. NO SECURITIES TRANSACTION TAX (STT) WAS PAID ON THE SALE OF X LTD. AND Y LTD. SHARES.
4. RELEVANT COST INFLATION INDEX (CII):

FINANCIAL YEAR	CII
2001-02	100
2004-05	113
2011-12	184
2014-15	240
2023-24	348

5. SHE PURCHASED A NEW FLAT IMMEDIATELY AFTER SELLING THE RESIDENTIAL HOUSE.

REQUIREMENT:

COMPUTE THE TAXABLE CAPITAL GAIN FOR THE ASSESSMENT YEAR (A.Y.) 2024-25.

3. SUM NO. 10 PG. NO. 154

SHRI MAHAVIR PURCHASED A RESIDENTIAL HOUSE IN 1996 FOR RS. 75,000. HE MADE IMPROVEMENTS TO THE HOUSE DURING 2006-07, INCURRING AN EXPENSE OF RS. 1,22,000.
THE HOUSE WAS SOLD ON 16-07-2023 FOR RS. 37,10,000, AND HE INCURRED RS. 16,400 AS SALES EXPENSES.
THE FAIR MARKET VALUE (FMV) OF THE HOUSE AS OF 01-04-2001 WAS RS. 1,80,000.
THE DUE DATE FOR FURNISHING THE INCOME TAX RETURN IS 31-07-2024.

COST INFLATION INDEX (CII):

FINANCIAL YEAR	CII
2001-02	100
2006-07	122
2023-24	348

REQUIREMENT:

COMPUTE THE TAXABLE CAPITAL GAINS FOR ASSESSMENT YEAR 2024-25 IN THE FOLLOWING SITUATIONS:

- ❖ IF SHRI MAHAVIR PURCHASES A NEW RESIDENTIAL HOUSE ON 14-08-2024 FOR RS. 30,00,000.
- ❖ IF HE PURCHASES A PIECE OF LAND FOR THE CONSTRUCTION OF A RESIDENTIAL HOUSE ON 21-10-2023 FOR RS. 1,60,000 AND DEPOSITS RS. 23,00,000 IN THE CAPITAL GAINS ACCOUNTS SCHEME ON 15-07-2024.
- ❖ IF HE SPENDS RS. 13,15,000 ON CONSTRUCTING AN ADDITIONAL FLOOR IN AN ALREADY OWNED RESIDENTIAL HOUSE DURING THE PERIOD 01-10-2023 TO 31-12-2023.

4. SUM NO. 15 PG.NO. 159

SHRI TARAK MEHTA HAS PROVIDED THE FOLLOWING DETAILS REGARDING THE SALE OF ASSETS DURING THE PREVIOUS YEAR 2023-24.

DETAILS OF ASSETS SOLD:

Sr. No.	ASSET	DATE OF SALE	SELLING PRICE (RS.)	DATE OF PURCHASE	PURCHASE PRICE (RS.)	TRANSFER EXPENSES (RS.)
1	RESIDENTIAL HOUSE	25-03-2024	1,33,65,000	01-10-1995	3,00,000	45,000
2	LISTED EQUITY SHARES	01-03-2024	10,50,400	01-09-2005	8,80,800	2,400
3	PERSONAL MOTOR CAR	01-03-2024	4,50,000	01-09-2005	4,00,000	5,000
4	JEWELLERY	28-02-2024	39,00,000	01-02-2014	31,00,000	30,000
5	RESIDENTIAL HOUSE	-	-	01-11-2020	9,00,000	-

ADDITIONAL INFORMATION:

- FAIR MARKET VALUE (FMV) OF THE RESIDENTIAL HOUSE AS OF 01-04-2001: RS. 35,00,000.
- THE LISTED SHARES OF THE COMPANY WERE SUBJECT TO SECURITIES TRANSACTION TAX (S.T.T.).
- FMV OF LISTED SHARES ON 31-01-2018: RS. 8,50,000.

COST INFLATION INDEX (CII) VALUES:

FINANCIAL YEAR	CII
2001-02	100
2005-06	117
2013-14	220
2019-20	289
2023-24	348

5. SUM NO. 16 PG. NO. 159

DR. SAURABH GOYAL (AGED 58 YEARS) HAS TRANSFERRED THE FOLLOWING ASSETS DURING THE PREVIOUS YEAR 2023-24:

DETAILS OF ASSETS SOLD:

ASSET	DATE OF PURCHASE	SELLING PRICE (RS.)	INDEXED COST OF ACQUISITION (RS.)
UNLISTED DEBENTURES	2008-09	20,69,736	14,96,810
RESIDENTIAL HOUSE (AHMEDABAD)	2008-09	12,00,000	7,10,000

EXEMPTION DETAILS:

- NEW RESIDENTIAL HOUSE PURCHASED: KALOL, MARCH 2024, RS. 15,00,000
- EXISTING RESIDENTIAL HOUSES: TWO HOUSES IN KHEDA

DEDUCTIONS AVAILABLE:

- SECTION 80C DEDUCTION: RS. 1,30,000
- SECTION 80D DEDUCTION: RS. 20,475

OTHER INCOME:

- INCOME FROM OTHER SOURCES: RS. 9,00,000

COST INFLATION INDEX (CII):

FINANCIAL YEAR	CII
2008-09	137
2023-24	348

REQUIREMENT:

- COMPUTE TOTAL TAXABLE INCOME FOR A.Y. 2024-25
- COMPUTE TAX LIABILITY FOR A.Y. 2024-25

(B) INCOME FROM OTHER SOURCES

1. SUM NO. 3 PG. NO. 205

SHRI JAGDISH MATHUR IS AN INDIAN CITIZEN AND ORDINARILY RESIDENT. THE FOLLOWING INCOMES WERE RECEIVED BY HIM DURING PREVIOUS YEAR 2023-24:

INCOME DETAILS:

1. UNRECOGNIZED PROVIDENT FUND (UPF) WITHDRAWAL:
 - EMPLOYER'S CONTRIBUTION: ₹2,80,000
 - INTEREST ON EMPLOYER'S CONTRIBUTION: ₹60,000
2. AGRICULTURAL INCOME FROM LAND IN U.P.
3. PRIZE FROM CROSSWORD PUZZLES: ₹60,000
4. INTEREST INCOME:
 - GOVERNMENT SECURITIES: ₹1,800
 - TAX-FREE COMMERCIAL SECURITIES (TDS @10%): ₹3,600
5. THIRD PRIZE IN MOTOR CAR RACE: ₹50,000
6. LOSS IN CARD GAMES: ₹20,000
7. INTEREST FROM FOREIGN DEPOSITS: ₹3,500
8. REMUNERATION FOR WORKING AS A JUDGE IN A BEAUTY CONTEST: ₹25,000
9. INTEREST ON KISAN VIKAS PATRA (KVP): ₹16,425
10. INTEREST ON INDIRA VIKAS PATRA (IVP): ₹8,640
11. REMUNERATION AS UNIVERSITY EXAMINER: ₹24,000
12. INTEREST ON SAVINGS BANK ACCOUNT: ₹1,480
13. INTEREST ON POST OFFICE SAVINGS ACCOUNT (JOINTLY HELD): ₹6,450
14. INTEREST ON 7% CAPITAL INVESTMENT BONDS: ₹21,000
15. DEBENTURE INTEREST FROM INDIAN COMPANIES (TDS @10%): ₹13,500
16. INCOME FROM ROYALTY (NET AFTER EXPENSES): ₹7,200
17. GIFT RECEIVED FROM UNCLE: ₹1,25,000

DEDUCTIONS ALLOWED:

1. INTEREST ON BANK LOAN FOR DEBENTURE INVESTMENT: ₹1,500
2. INTEREST ON BANK LOAN FOR SHARE INVESTMENT (NO DIVIDEND RECEIVED): ₹3,000
3. BANK COMMISSION FOR TRANSFER OF FOREIGN INTEREST: ₹350

REQUIREMENT:

COMPUTE TAXABLE INCOME FROM OTHER SOURCES FOR ASSESSMENT YEAR 2024-25.

2. SUM NO. 6 PG. NO. 207

MR. SEHWAG HAS THE FOLLOWING SOURCES OF INCOME DURING PREVIOUS YEAR 2023-24:

INCOME DETAILS:

1. 10% PORT TRUST BONDS: ₹2,60,000
2. 12% PREFERENCE SHARES OF ATUL LTD.: ₹2,00,000
 - DIVIDEND RECEIVED: ₹24,000
3. 10% TAX-FREE DEBENTURES OF RELIANCE LTD. (TDS @10%) ₹2,16,000
4. 8% DEBENTURES OF ADANI LTD.: ₹4,00,000
5. INCOME FROM LOTTERY (TDS @30%): ₹2,10,000
6. PENSION FROM FORMER EMPLOYER: ₹1,44,000

ADDITIONAL TRANSACTIONS:

1. SALE OF ADANI LTD. DEBENTURES ON 30-11-2023:
 - SALE VALUE: ₹2,00,000
 - BROKERAGE PAID: ₹100
 - COLLECTION CHARGES PAID: ₹150
 - INTEREST ON DEBENTURES RECEIVED:

▪ 30TH JUNE & 31ST DECEMBER

REQUIREMENT:

COMPUTE TAXABLE INCOME FROM OTHER SOURCES FOR ASSESSMENT YEAR 2024-25.

3. SUM NO. 10 PG. NO. 210

SHRI ANANDBHAI JOSHI HAS THE FOLLOWING INCOME SOURCES DURING PREVIOUS YEAR 2023-24:

INCOME DETAILS:

1. INTEREST EARNED ON GOLD DEPOSITS BONDS, 1999 → ₹40,000
2. GROSS DIVIDEND ON SHARES OF RELIANCE POWER CO. LTD. → ₹24,000
3. INTEREST ON LESS-TAX DEBENTURES OF ASHTHA LTD. (T.D.S. 10%) → ₹39,375
4. INTEREST ON LESS-TAX DEBENTURES OF GARDEN WARELLI LTD., SURAT (T.D.S. 10%) → ₹44,100
5. INVESTMENT IN 10% ₹10,40,000 LESS-TAX DEBENTURES OF CHENNAI LTD. (T.D.S. 10%)
 - SOLD ON 1-7-2023 TO SETTLE A BANK LOAN TAKEN FOR PURCHASING DEBENTURES OF ELLIZABETH LTD.
6. ROYALTY RECEIVED AS AN AUTHOR (NET AFTER DEDUCTION OF ₹21,000 AS EXPENSES) → ₹1,89,000
7. INVESTMENT IN 10% ₹5,40,000 TAX-FREE DEBENTURES OF DELHI LTD. (T.D.S. 10%)
8. NET INCOME FROM HORSE RACE (T.D.S. 30%) → ₹35,000
9. INTEREST FROM BANK TERM DEPOSIT (GROSS) → ₹68,000
10. ON 1-6-2023, PURCHASE OF ₹5,40,000 12% TAX-FREE DEBENTURES OF ELLIZABETH LTD. (T.D.S. 10%)
 - LOAN TAKEN FROM BANK: ₹4,00,000 AT 12% P.A. INTEREST RATE
11. GROUND RENT RECEIVED → ₹28,080

ADDITIONAL INFORMATION:

- INTEREST ON ALL SECURITIES IS RECEIVED ON 30TH JUNE & 31ST DECEMBER EACH YEAR.
- ₹1,380 PAID AS COLLECTION CHARGES FOR INTEREST RECEIVED.

REQUIREMENT:

COMPUTE TAXABLE INCOME UNDER "INCOME FROM OTHER SOURCES" FOR ASSESSMENT YEAR 2024-25.

4. SUM NO. 18 PG. NO. 216

PURVI HAS THE FOLLOWING INCOME SOURCES DURING PREVIOUS YEAR 2023-24:

INCOME DETAILS:

1. 12% TAX-FREE DEBENTURES OF SHREE RAM LTD. (TDS @ 10%) → ₹1,12,500
2. 8% TAX-FREE SECURITIES OF GOVERNMENT OF INDIA → ₹2,00,000
3. 10% LESS-TAX BONDS OF PUNJ LTD. (TDS @ 10%) → ₹50,000
4. AGRICULTURAL INCOME FROM LAND IN PUNJAB → ₹3,80,000
5. AGRICULTURAL INCOME FROM LAND IN CANADA → ₹6,00,000
6. DIRECTOR'S FEE RECEIVED AS AN INDEPENDENT DIRECTOR → ₹20,000
7. DIVIDEND RECEIVED ON SHARES OF COMPANIES IN UK → ₹80,000
8. GROSS DIVIDEND ON SHARES OF DHRUV LTD. → ₹2,000
9. INTEREST ON 7% CAPITAL INVESTMENT BONDS → ₹21,000
10. INTEREST RECEIVED ON 10% TAX-FREE DEBENTURES OF NARMADA LTD. (TDS @ 10%) → ₹18,000
11. RENT RECEIVED FROM OPEN PLOT OF LAND IN INDIA → ₹18,000
12. RENT RECEIVED FROM HOUSE PROPERTY SUB-LET → ₹16,000
 - COST OF AMENITIES PROVIDED TO SUB-TENANT → ₹3,000

DEDUCTIONS & EXPENSES:

- BANK COMMISSION PAID FOR COLLECTION OF DIVIDEND
 - FROM INDIAN COMPANIES → ₹200
 - FROM FOREIGN COMPANIES (UK) → ₹700

REQUIREMENT:

COMPUTE TAXABLE INCOME UNDER "INCOME FROM OTHER SOURCES" FOR ASSESSMENT YEAR 2024-25.

Unit-3

1. Write the table given on Pg-241,242,243 in Taxation 2025-26 book (Individual Short Notes can be asked in University Exam)

2. Calculate the Deduction U/s 80C for Ms. Babita for A.Y. 2024–25

Payments	Rs.
Contribution to PPF A/c of minor daughter	60,000
Investment in a term deposit with SBI (for 1 year)	20,000
Repayment of housing loan from LIC (principal)	40,000
Children tuition fee (of 3 children, Rs. 20,000 each)	60,000
LIC insurance premium paid	25,000
Investment in NSC X issue	30,000
Accrued interest on NSC VIII issue bought earlier	5,440

Answer:

Deduction U/s 80C: Rs. 1,50,000

Notes:

1. The total qualifying amount is Rs. 2,00,440, but the maximum deduction allowable U/s 80C is restricted to Rs. 1,50,000.
2. A 1-year term deposit with SBI is not qualified for deduction.
3. Accrued interest on NSC VIII issue bought earlier is considered as a qualifying amount, except for the accrued interest of the last year (before maturity).

3. Calculate Deduction U/s 80C and 80D for Shri Kalpanath Roy for A.Y. 2024–25

Payments	Rs.
Employee's contribution to Recognized Provident Fund (15% of basic salary)	14,500
Premium paid on life insurance policy (taken before 1-4-2012)	9,000
Paid into Public Provident Fund A/c	75,000
Contribution under ULIP of LIC	12,000
Investment in eligible shares of power sector company	23,000
Deposit placed with SBI (5-year period)	16,000
Mediclaime insurance premium (self)	35,000

Answer:

- **Deduction U/s 80C:** Rs. 1,48,500 (does not exceed the maximum limit of Rs. 1,50,000).
- **Deduction U/s 80D:** Rs. 25,000 (restricted from Rs. 35,000).

4. Deduction U/s 80G for Shri Rahatgiri for A.Y. 2024–25

Donations	Rs.
Total Gross Income	6,46,000
Qualifying amount of deduction U/s 80C	1,60,000
Donation to PM National Relief Fund (100%)	11,000
Donation to Gujarat University (100%)	10,000
Donation to PM Drought Relief Fund (50%)	20,000
Donation to institution for family planning (ceiling 10% of adjusted total income)	22,000

Answer:

- **Taxable Income:** Rs. 4,15,400

- **Total Deduction U/s 80G:** Rs. 80,600

Notes:

1. Donations with 100% deduction: PM National Relief Fund (Rs. 11,000), Gujarat University (Rs. 10,000).
2. Donations with 50% deduction: PM Drought Relief Fund (Rs. 10,000).
3. Ceiling for family planning donation is 10% of adjusted total income, i.e., Rs. 49,600 (10% of Rs. 4,96,000).

5. Write the table given on the Page 269-271 in Taxation 2025-26 book (Individual Short Notes can be asked in University Exam)

Unit-4

1. EXPLAIN THE CONCEPT OF GST AND EXPLAIN THE ADVANTAGES AND DISADVANTAGES.
2. WHAT ARE THE BENEFITS FROM GST.
3. WHAT IS THE REVERSE CHARGE.
4. WHAT IS THE SCOPE OF COMPOSITION SCHEME UNDER GST?
5. WRITE A SHORT NOTE ON:
 - a. TAXABLE PERSON
 - b. TAXABLE TERRITORY
 - c. PLACE OF BUSINESS
 - d. TAXABLE SUPPLY
6. BROAD IDEA ABOUT THE RATES OF GOODS AND SERVICES
7. GST COUNCIL AND FORMATION.
8. WHAT ARE THE FUNCTION OF GST COUNCIL.