

Roll No.

Que
09/11/2022
5:05 PM

Total No. of Printed Pages – 15

Total No. of Questions – 8

Maximum Marks – 70

GENERAL INSTRUCTIONS TO CANDIDATES

1. The question paper comprises two parts, Part I and Part II.
2. Part I comprises Multiple Choice Questions (MCQs).
3. Part II comprises questions which require descriptive type answers.
4. Ensure that you receive the question paper relating to both the parts. If you have not received both, bring it to the notice of the invigilator.
5. Answers to MCQs in Part I are to be marked on the OMR answer sheet as given on the cover page of Section A of descriptive answer book only. Answers to questions in Part II are to be written in the same descriptive answer book. Answers to MCQs, if written inside the descriptive answer book, will not be evaluated.
6. OMR answer sheet given on the cover page of descriptive answer book will be in English only for all candidates, including for Hindi medium candidates.
7. **The bar coded sticker provided in the attendance register, is to be affixed only on the descriptive answer book.**
8. You will be allowed to leave the examination hall only after the conclusion of the exam. If you have completed the paper before time, remain in your seat till the conclusion of the exam.
9. Duration of the examination is 3 hours. You will be required to submit (a) Part I of the question paper containing MCQs, and (b) the answer book in respect of descriptive answer book with OMR cover page to the invigilator before leaving the exam hall, after the conclusion of the exam.
10. The invigilator will give you acknowledgement on Page 2 of the admit card, upon receipt of the above-mentioned items.
11. Candidate found copying or receiving or giving any help or defying instructions of the invigilators will be expelled from the examination and will also be liable for further punitive action.

PART – II

70 Marks

1. **Section – A** comprises questions 1-4. In Section – A, answer question No. 1 which is compulsory and any 2 questions from question Nos. 2-4. All questions in Section – A relate to assessment year 2022-23, unless otherwise stated.
Section – B comprises questions 5-8. In Section – B, answer question No. 5 which is compulsory and any 2 questions from question Nos. 6-8.
2. Working notes should form part of the answer.
3. Answers to the questions are to be given only in English except in the case of candidates who have opted for Hindi Medium. If a candidate has not opted for Hindi Medium, his/her answers in Hindi will not be evaluated.
4. All question in Section – B should be answered on the basis of position of GST law as amended by significant notification / circulars issued upto 30th April, 2022.

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PART - II

SECTION - A

1. Dr. Rohan, 82 years old resident surgeon, having his Nursing Home in Mumbai, gives the following particulars for the year ended on 31.03.2022.

14

Receipts	₹	Payments	₹
Op. Balance b/d	1,25,000	Salary to Staff	3,50,000
Fees from visits to other hospitals (net)	5,85,000	Taxes & Insurance	26,000
Fees for March, 2021 received in April, 2021		Entertainment Expenses	1,10,000
IPD 40,000 OPD 45,000	85,000	Purchase of Television	48,000
Dividend from shares (net)	18,900	Gift to daughter-in-law	60,000
Fees received during the year	10,25,000	Interest on loan for repairs to property	65,000
Gifts received from relatives of patients	45,000	Personal medical expenses	70,000
Honorarium for painting services in Jai Hind Art School (net)	22,500	Deposits in PPF A/c.	55,000
Income Tax Refund (Including interest ₹ 1,500)	12,100	Nursing Home expenses	3,75,000
		Prof. fees paid for consulting services	1,20,000
		Purchase of furniture at home	1,35,000
		Personal Expenses	3,00,000
		Balance c/f	2,04,500
	19,18,500		19,18,500

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Other Information :

- (a) He keeps his books of accounts on cash basis and has not opted for the provisions of section 44ADA.
- (b) Salary includes ₹ 60,000 paid to his sister who is a qualified nurse paid in cash.
- (c) Entertainment expenses include ₹ 25,000 for dinner to doctors in a five star hotel.
- (d) Interest on loan for repairs to property includes ₹ 40,000 for his residential property.
- (e) His daughter in law earned income of ₹ 10,000 from the amount received as gift.
- (f) Fixed Assets values as on 01.04.2021 are as under :-
Nursing Home Equipment's ₹ 2,20,000, Medical Books (incl. annual publications ₹ 10,000) ₹ 35,000, Laptop ₹ 40,000.
- (g) Television purchased for nursing home purpose on 21.09.2021 is put to use on 03.10.2021.
- (h) He has donated ₹ 10,000 towards PM CARES Fund on 15.08.2021.

You are required to

- (i) Compute the total income and tax payable by him for AY 2022-2023 as per the regular provisions of the Income-tax Act, 1961. Assume that he has not opted for section 115 BAC.
- (ii) What will be his total income and tax payable, If he opts for the provisions of section 44ADA ? Will it be more beneficial for him to adopt 44ADA ?

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2. (a) Mr. Sarthak, an individual and Indian citizen living abroad (Dubai), a tax haven, since year 2005 and never came to India for a single day since then, earned the following incomes during previous year 2021-22 : 6

	PARTICULARS	Amount (in ₹)
(i)	Income accrued and arised in Dubai not taxable in Dubai (being tax haven)	20,00,000
(ii)	Income accrued and arised in India	5,00,000
(iii)	Income deemed to accrue and arise in India	8,00,000
(iv)	Income arising in Dubai from a profession set up in India	10,00,000

- I. Determine the residential status of Mr. Sarthak and taxable income for the previous year 2021-22 (assuming no other income arised during the previous year).
- II. What would be your answer if income arising in Dubai from a profession set up in India is ₹ 2 lakhs instead of ₹ 10 lakhs ?
- III. What would be your answer, if Mr. Sarthak born in Dubai and his parents were born in India ?
- (b) Mr. B is a sales manager in PQR Ltd. During FY 2021-2022 he has received the following towards his salary and allowances / perquisites; 8
- (i) Basic pay ₹ 85,000 per month upto December 2021 and thereafter an increase of ₹ 2,000 per month.
- (ii) Dearness allowance 40% of basic pay forming part of retirement benefits.

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- (iii) Bonus 1 month basic pay based on the salary drawn during January month every year.
- (iv) He contributes 14% of his basic pay & DA towards his recognized provident fund and his employer company contributes the same amount.
- (v) Travelling allowance of ₹ 5,000 per month towards on duty tours.
- (vi) Research and training allowance ₹ 3,000 per month.
- (vii) Children education allowance of ₹ 600 per month, per child for his 2 sons and 1 daughter.
- (viii) Accomodation owned by PQR Ltd. was provided to him in Hyderabad for the whole year and furniture of ₹ 2,00,000 was provided from 1st October, 2021.
- (ix) Reimbursement of medical expenses on his treatment in private hospital – ₹ 15,000, medical allowance ₹ 1,500 per month. Company has paid premium on medical policy purchased on his health ₹ 12,500.

You are required to :

- I. Compute the income chargeable to tax under the head “Income from Salary”, assuming that he does not opt for the provisions under section 115BAC.
- II. What will be the income under ‘Salary’, if he opts for the provisions under section 115BAC ?

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3. (a) Examine the applicability and the amount of TDS to be deducted in the following cases for F.Y. 2021-22 :

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- (i) S and Co. Ltd. paid ₹ 25,000 to one of its Directors as sitting fees on 02-02-2022.
- (ii) ₹ 2,20,000 paid to Mr. Mohan, a resident individual, on 28-02-2022 by the State of Haryana on compulsory acquisition of his urban land.
- (iii) Mr. Purushotham, a resident Indian, dealing in hardware goods has a turnover of ₹ 12 crores in the previous year 2020-21. He purchased goods from Mr. Agarwal a resident seller, regularly in the course of his business. The aggregate purchase made during the previous year 2021-22 on various dates is 80 lakhs which are as under :

10-06-2021	₹ 25,00,000
20-08-2021	₹ 27,00,000
12-10-2021	₹ 28,00,000

He credited Mr. Agarwal's account in the books of accounts on the same date and made the payment on the 28-02-2022 ₹ 80 lakh. Mr. Agarwal's turnover for the financial year 2020-21 is ₹ 20 crores.

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(b) Compute the gross total income of Mr. Prakhar for AY 2022-2023 and the losses to be carried forward, from the information given below : 4

(i) Income from House Property (computed)	₹ 3,60,000
(ii) Short term capital loss on shares of a company	₹ (-) 18,700
(iii) Long term capital gain on sale of agricultural land	₹ 6,000
(iv) Income from rubber business (plants grown by Mr. Prakhar)	₹ 80,000
(v) Loss from garment business b/f - discontinued in FY 2019-2020	₹ (-) 70,000
(vi) Loss from betting	₹ (-) 5,500
(vii) Income from lotteries (net)	₹ 5,460

(c) Mr. A employed with B Pvt. Ltd. residing in Chennai, filed his return of Income on 30th July. He has no other income other than salary. He however has failed to link his Aadhar with PAN as on return filing date. 4

- (i) What is the last date for linking Aadhar with PAN ?
- (ii) What is the consequence for him if he has linked the Aadhar with PAN on 31st August 2022 ?
- (iii) Are there any exceptions provided under section 139AA from quoting of Aadhar number ?

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