

2025

DIRECT TAX - I — MDC**Paper : MDC-4****Full Marks : 75***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**Answer *any three* questions.

1. (a) State the heads of income under which the following incomes are to be assessed :
 - (i) Amount received from sale of house property.
 - (ii) Amount received by letting out a house property.
 - (iii) Amount received from T.V. Game Show.
 (b) Mention the status of the following persons as per Income Tax Act :
 - (i) Bharat Sevasram Sangha
 - (ii) Shakuntala Housing Co-operative Society.
2. Write short notes on :
 - (a) Heads of Income
 - (b) Assessment Year.
3. Faria, a citizen of France, came to India for the first time on 15th August, 2019 and stayed up to 1st March, 2020. Subsequently, she stayed in India during 2020-21, 2021-22, 2022-23, 2023-24 and 2024-25 for 100 days, 120 days, 90 days, 80 days and 65 days respectively.
Determine the residential status of Faria for the assessment year 2025-26.
4. Mrs. Binu Patra furnished the following particulars of her income for the previous year 2024-25 :
 - (i) Pension received ₹ 20,000 p.m.
 - (ii) Interest on Fixed Deposit in Bank ₹ 10,250
 - (iii) Lottery income received (TDS @ 30%) ₹ 21,000
 - (iv) Dividend received from an Indian Company ₹ 10,000.

From the above information, calculate taxable income of Mrs. Patra under the head 'Income from Other Sources' for the assesment year 2025-26, assuming Mrs. Patra opts out of new tax regime.

1+1+2+1

Please Turn Over

5. (a) Distinguish between 'Tax Planning' and 'Tax Avoidance'.
 (b) Mention any two fully exempted income.

3+2

Group - BAnswer *any three* questions.

6. (a) Konkona is an employee of ABC Co. Ltd. She furnishes the following particulars for the previous year 2024-25 :

	₹
(i) Basic salary	30,000 p.m.
(ii) Dearness Allowance (60% forms part of salary for computation of retirement benefit)	15,000 p.m.
(iii) House Rent Allowance	10,000 p.m.

She pays rent of ₹ 15,000 p.m. for a rented house in Kolkata. Calculate the amount of house rent allowance taxable in her hands for the assessment year 2025-26.

- (b) Mr. Sattik Majumder retired from his service on 31.07.2024. From 01.08.2024 he was entitled to a pension of ₹ 10,000 p.m. On 01.11.2024 he commuted 60% of his pension and received ₹ 1,50,000. He did not receive gratuity.

Compute his taxable pension for the assessment year 2025-26.

5+5

7. (a) The following particulars are available in respect of a house property owned by Mr. Sumit Kr. Singh in Delhi :

	₹
Net municipal value	90,000
Fair rent	1,20,000
Actual rent received	1,80,000

Calculate Gross Annual Value of the house property.

- (b) Sri Sunil Bhowmik started constructing his self-occupied house on 08.08.2020. For constructing the house, he took a loan of ₹ 12,00,000 from SBI, Shyambazar Branch at an interest rate of 7.5% p.a. on 01.06.2021. The construction of the house has been completed on 14.08.2023.

Calculate the amount of interest allowed as deduction while computing income under the head 'Income from House Property' for the assessment year 2025-26.

- (c) State whether the following are agricultural income :

- (i) Dividend received by a shareholder from a company engaged in agricultural activities.
 (ii) Salary received by an acting partner of a firm, the entire income of which is agricultural income.

3+5+2

8. (a) From the following particulars, compute depreciation (under old tax regime) for the assessment year 2025-26 :

(i) W.D.V. of machinery as on 01.04.2024 ₹ 2,50,000.

(ii) A new machine was purchased for ₹ 1,70,000 on 15.07.2024.

(iii) Machine sold as scrap for ₹ 20,000.

(iv) Rate of depreciation is 15%, additional depreciation is 20%.

(b) Discuss the admissibility or otherwise of the following items in computation of income under the head 'Profits and Gains of Business or Profession' for the assessment year 2025-26 :

(i) A machine worth ₹ 50,000 was purchased for scientific research relating to the business carried on by the assessee.

(ii) A cash payment of ₹ 30,000 made for purchase of goods.

(iii) ₹ 15,000 paid to customs authority for violation of customs law. 5+(2+2+1)

9. (a) Mention whether the following assets are capital assets or not u/s 2(14) of the Income Tax Act, 1961 :

(i) Furniture held for personal use.

(ii) Stock of raw materials held for business purpose.

(b) Write a short note on short-term capital gain as per Income Tax Act, 1961.

(c) From the following information, compute taxable capital gain of Rahul for the P.Y. 2024-25 :

Particulars	Building	Gold
Date of Purchase	01.10.2012	01.01.2023
Cost of Acquisition (₹)	10,00,000	5,00,000
Date of Sale	12.06.2024	19.11.2024
Sale Proceeds (₹)	32,00,000	12,00,000

[CII for the Previous Year 2012-13 – 200; 2022-23 – 331; 2024-25 -363.]

You may assume that Rahul opts for old tax regime.

2+2+(4+2)

10. Rohit has received the following amounts during the previous year ending on 31st March, 2025 :

(i) Dividend from an Indian company received in London ₹ 25,000.

(ii) Salary received at London for services rendered in India ₹ 1,00,000.

(iii) Rent from house property in Thailand credited to his bank account there ₹ 1,50,000.

(iv) Profit from a business in Singapore ₹ 1,00,000. The business is controlled from India.

(v) Profit from a business in Hong Kong. The business is controlled from Hong Kong.

Compute Total Income of Rohit if he is :

(a) Resident but not Ordinarily Resident, and

(b) Non-Resident.

Group - C

Answer *any two* questions.

11. Sri Amiya Banerjee is the employee of ITC Ltd. He furnished the following particulars of his income for the previous year 2024-25. Compute his income from salary for the A.Y. 2025-26, assuming that he has opted for old tax regime.

- (i) Basic salary ₹ 25,000 p.m.
- (ii) Dearness Allowance 50% of basic salary (forming part of salary)
- (iii) Bonus ₹ 12,500
- (iv) Medical allowance ₹ 500 p.m.
- (v) He and his employer both contributes @ 14% of salary towards a Recognised Provident Fund and interest credited to RPF @ 12% p.a. amounted to ₹ 8,400 during the previous years.
- (vi) Children education allowance ₹ 200 p.m. for each of his three children.
- (vii) He is provided with a rent-free furnished accommodation in Kolkata. Rent paid by the company is ₹ 5,000 p.m. The company provided him with furniture costing ₹ 40,000.
- (viii) His professional tax of ₹ 2,000 paid by the company.

15

12. Aritra Pratim Kundu is the owner of three houses, the details of which are given below for the previous year 2024-25 :

Particulars	House-I	House-II	House-III
(i) Where situated	Shantiniketan	New Town	Kolkata
(ii) How used	Let-out	Own residence	Own business
	₹	₹	₹
(iii) Gross Municipal Value	1,00,000	3,00,000	4,00,000
(iv) Fair Rent	95,000	2,75,000	4,25,000
(v) Standard Rent	70,000	2,50,000	4,10,000
(vi) Annual Rent	1,20,000	—	—
(vii) Vacancy period	2 months	—	—
(viii) Municipal tax	4,000 p.a.	5,000 p.a.	6,000 p.a.
(ix) Repair expenses paid	2,000	—	3,000
(x) Interest on loan	—	50,000	—

Compute 'Income from House Property' of Aritra Pratim Kundu for the relevant assessment year after considering the following information :

- (a) He has not exercised section 115BAC.
- (b) Municipal tax of House-I for last quarter remain unpaid.

15

13. From the following Profit & Loss Account and other information, compute income from business of Mr. Rohit Sharma for the previous year 2024-25, assuming that Mr. Sharma opts for old tax regime :

	Amount ₹		Amount ₹
To Opening Stock	5,500	By Sales	2,60,000
” Purchases	1,25,000	” Dividend from Foreign Company	17,500
” Salaries	25,000	” Bank Interest	9,500
” Business Expenses	3,750	” Closing Stock	33,000
” Income Tax	4,250		
” Fine paid to Customs	6,000		
” Provision for Bad Debts	4,000		
” Depreciation	13,500		
” Donation	5,000		
” Motor Car Expenses	8,000		
” Travelling Expenses	2,500		
” Advertisement Expenses	7,500		
” Net Profit	1,10,000		
	3,20,000		3,20,000

Additional Information :

- (i) 3/4th of motor car expenses relates to his personal use.
- (ii) Business Expenses include :
Wages paid to domestic servant @ 1,200 and Life insurance premium on own life ₹ 1,600.
- (iii) Depreciation as per IT Rule is ₹ 11,000.
- (iv) Purchases include a payment of ₹ 20,000 made in cash.