

# MKG

# MOCK TEST-1

MAY 23/NOV 23

## TAXATION

### COMPUTATION OF TOTAL INCOME AND TAX LIABILITY

ATTEMPT ALL QUESTIONS

Roll No ...854721.....

Time allowed: 3 hours

Maximum Marks: 100

MCQ BOOKLET NO. 1234567

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#### MULTIPLE CHOICE QUESTIONS (30 Marks)

1. The basic source of income-tax law is -

- (a) Income-tax Act, 1961
- (b) Income-tax Rules, 1962
- (c) Circulars/Notifications issued by CBDT
- (d) Judgments of Courts

2. A domestic company means -

- (a) Only an Indian company
- (b) Both Indian company and a foreign company having a branch in India
- (c) Both Indian company and a foreign company having business connection in India
- (d) Both Indian company and a foreign company which has made the prescribed arrangement for declaration and payment of dividends in India out of the income chargeable to tax in India

3. The rates of income-tax are mentioned in -

- (a) The Income-tax Act, 1961 only
- (b) Both Income-tax Act, 1961 and Income-tax Rules, 1962
- (c) The First Schedule to the Annual Finance Act
- (d) Both Income-tax Act, 1961 and the First Schedule to the Annual Finance Act

4. The surcharge applicable in the case of an individual is -

- (a) 10% of tax payable if total income exceeds ₹50 lakhs but does not exceed ₹1 crore
- (b) 10% of tax payable if total income exceeds ₹1 crore but does not exceed ₹2 crore

- (c) 15% of tax payable if total income exceeds ₹1 crore but does not exceed ₹2 crore  
 (d) Both (a) and (c), as the case may be.

**5. In respect of a non-resident assessee, who is of the age of 60 years or more but less than 80 years at any time during the previous year 2022-23, -**

- (a) Basic exemption of ₹2,50,000 is available  
 (b) Basic exemption of ₹3,00,000 is available  
 (c) Basic exemption of ₹5,00,000 is available  
 (d) No basic exemption limit would be available

**6. In case of a domestic company whose gross receipts for the P.Y. 2019-20 is upto ₹400 crores, the rate of tax applicable is -**

- (a) 29% , (b) 25% , (c) 30% , (d) None of the above

**7. The surcharge applicable to a domestic company for A.Y. 2023-24 is -**

- (a) 5%, if total income exceeds ₹1 crore.  
 (b) 10%, if the total income exceeds ₹1 crore  
 (c) 7%, if the total income exceeds ₹1 crore but does not exceed ₹10 crore, and 15%, if the total income exceeds ₹10 crore.  
 (d) 7%, if the total income exceeds ₹1 crore but does not exceed ₹10 crore, and 12%, if the total income exceeds ₹10 crore.

**8. The surcharge applicable to a foreign company for A.Y. 2023-24 is -**

- (a) 5%, if the total income exceeds ₹1 crore.  
 (b) 10%, if the total income exceeds ₹1 crore.  
 (c) 2%, if the total income exceeds ₹1 crore but does not exceed ₹10 crore and 5% if the total income exceeds ₹10 crore.  
 (d) 2%, if the total income exceeds ₹10 crore.

**9. The rate of tax applicable to a partnership firm for A.Y. 2023-24 is -**

- (a) 25%  
 (b) 30%  
 (c) 35%  
 (d) 40%

**10. Where the total income of an artificial juridical person is ₹3,10,000, the income-tax before cess payable is ₹..... and surcharge payable is ₹.....**

- (a) ₹3,000; surcharge – nil.  
 (b) ₹6,000; surcharge – nil.  
 (c) ₹500; surcharge – nil  
 (d) ₹93,000; surcharge – ₹4650

**11. What is the basic exemption limit for a woman assessee for A.Y. 2023-24, who turned 60 years on 31.03.2023?**

- (a) ₹2,00,000  
 (b) ₹3,00,000  
 (c) ₹2,50,000  
 (d) ₹5,00,000

**12. What is the rate of surcharge applicable to individuals having total income exceeding ₹1 crore but does not exceed ₹2 crore?**

- (a) 15%, (b) 12% , (c) 10% , (d) 2%

**13. What is the basic exemption limit for Mrs. X, a resident individual who is of the age of 80 years as on 31.3.2023?**

- (a) ₹5,00,000  
 (b) ₹2,40,000  
 (c) ₹3,00,000  
 (d) ₹2,50,000

**14. Tax Liability of a resident individual having LTCG 3.5 Lakh shall be**

- (a) ₹7,800  
 (b) ₹72,800

- (c) ₹18,200
- (d) ₹20,800

**15. The maximum amount of rebate allowable under section 87A for A.Y. 2023-24 is -**

- (a) ₹2,000, if the total income does not exceed ₹5 lakh
- (b) ₹5,000, if the total income does not exceed ₹5 lakh
- (c) ₹12,500, if the total income does not exceed ₹5 lakh
- (d) ₹2,500, if the total income does not exceed ₹3.5 lakh

**16. If Mr. Y's total income for A.Y. 2023-24 is ₹52 Lakhs, surcharge is payable at the rate of -**

- (a) 15%
- (b) 12%
- (c) 10%
- (d) 2%

**17. Unexhausted basic exemption limit of a non-resident individual can be adjusted against –**

- (a) only LTCG taxable @20% u/s 112
- (b) only STCG taxable @15% u/s 111A
- (c) casual income taxable @30% u/s 115BB
- (d) none of these

**18. Unexhausted basic exemption limit of a resident individual can be adjusted against –**

- (a) only LTCG taxable @20% u/s 112
- (b) only STCG taxable @15% u/s 111A
- (c) only LTCG taxable @ 10% u/s 112A
- (d) From (a) or (b) or (c)

**19. The concept of partial integration of agricultural income with non-agricultural income is applicable to -**

- (a) only individuals & HUF
- (b) only firms and companies
- (c) Individuals, HUF, AOPs/BOIs & Artificial juridical persons
- (d) All persons

**20. What is the basic exemption limit for Mr. X, a resident individual who has completed the age of 60 years as on 31.03.2024?**

- (a) ₹5,00,000
- (b) ₹2,40,000
- (c) ₹3,00,000
- (d) ₹2,50,000

**21. Rebate u/s 87A shall be allowed to**

- (a) all persons
- (b) only individual
- (c) only resident individual
- (d) resident individual & HUF

**22. Rebate u/s 87A shall be allowed if total income is**

- (a) less than ₹5,00,000
- (b) less than ₹3,50,000
- (c) upto ₹5,00,000
- (d) upto ₹3,50,000

**23. Marginal relief shall be allowed to**

- (a) all persons
- (b) only individual
- (c) individual & HUF
- (d) non -resident

**24. Mr. X has agricultural Income of ₹4,900 and non – agricultural income of ₹2,65,000. Tax Payable shall be**

- (a) Nil
- (b) ₹780

- (c) ₹1,030
- (d) ₹14,030

**25. Mr. X has agricultural Income of ₹1,00,000 and non – agricultural income of ₹2,45,000. Tax Payable shall be**

- (a) Nil
- (b) ₹4,940
- (c) ₹2,340
- (d) ₹17,940

**26. Tax Liability of a resident individual having only STCG 111A 3.5 Lakh shall be**

- (a) ₹2,600
- (b) ₹15,600
- (c) ₹54,600
- (d) ₹13,000

**27. Tax Liability of a resident individual having only casual income 3.5 Lakh shall be**

- (a) ₹96,200
- (b) ₹18,200
- (c) ₹31,200
- (d) ₹1,09,200

**28. Tax Liability of a non - resident individual having only STCG 111A 3.5 Lakh shall be**

- (a) ₹15,600
- (b) ₹2,600
- (c) ₹54,600
- (d) ₹52,000

**29. The rate of tax applicable to a limited liability partnership (LLP) for A.Y. 2023- 24 is -**

- (a) 25%
- (b) 30%
- (c) 40%
- (d) at slab rate

**30. Mr. Devansh has agricultural income of ₹2,30,000 and business income of ₹2,45,000. Which of the following statements are correct?**

- (a) Agricultural income has to be aggregated with business income for tax rate purposes
- (b) No aggregation is required since agricultural income is less than basic exemption limit.
- (c) No aggregation is required since business income is less than basic exemption limit.
- (d) Agricultural income is exempt under section 10(1) but the same has to be aggregated with business income, since it exceeds ₹5,000

## SUBJECTIVE TYPE QUESTIONS (70 Marks)

**Question 1 (a). (5 Marks)**

Mr. Rajat Saini, aged 32 years, furnishes the following details of his total income for the A.Y. 2023-24:

Income under the head Salary	27,88,000
Income under the head House Property	15,80,000
Income under the head Other sources	7,22,000

He has not claimed any deduction under chapter VIA. You are required to compute tax liability of Mr. Rajat Saini as per the provisions of Income Tax Act, 1961.

**Question 1 (b). (5 Marks)**

Compute the tax payable in the following independent cases:

(i) Mr. X has income under the head house property ₹5,00,000 and LTCG 112A ₹1,00,000. Compute tax payable.

(ii) Mr. X has LTCG 112A ₹50,50,000. Compute tax payable.

(iii) Mr. X has LTCG 112A ₹51,00,000. Compute tax payable.

**Question 2 (a) (5 marks)**

Mr. X has income as given below:

Income under the head PGBP	₹505,00,000
LTCG 112A	₹101,00,000
STCG 111A	₹100,00,000

Compute his tax liability for A.Y. 2023-24.

**Question 2 (b) (5 marks)**

(i) Mr. X aged 59 years has gross total income ₹5,60,000 and deduction allowed under section 80C to 80U are ₹60,000. Compute his tax liability previous year 2022-23, assessment year 2023-24.

(ii) Presume he is a resident and is aged 62 years.

**Question 3. (a) (5 Marks)**

Compute tax liability in the following cases for the assessment year 2023-24.

- (i) Mr. X (non-resident) has total income of ₹4,20,000
- (ii) Mrs. X (resident), aged 60 years has total income of ₹105,00,000
- (iii) Mr. X (non-resident), aged 60 years has total income of ₹70,00,000
- (iv) Mrs. X (resident), aged 80 years has total income of ₹103,00,000
- (v) Mr. X (non-resident), aged 80 years has total income of ₹12,00,000

**Question 3 (b). (5 Marks)**

Write a note on taxability of income of domestic company and also explain meaning of domestic company.

**Question 4 (a). (5 Marks)**

(i) Mr. X has income under the head Salary ₹5,00,000 and casual income ₹3,00,000 and deduction under section 80C to 80U ₹2,00,000, Compute his tax liability for the Assessment year 2023-24.

(ii) If in the above case deduction allowed under section 80C to 80U is ₹6,00,000.

**Question 4 (b).****(5 Marks)**

(i) Mr. X is a Non- Resident and has incomes as given below:

• Income under the head salary	35,000
• Income under the head house property	45,000
• Income under the head business/profession	30,000
• Long term capital gains	1,10,000
• Long term capital gains u/s 112A	5,00,000
• Short term capital gains	25,000
• Short term capital gains u/s 111A	7,00,000
• Casual Income (winnings of lottery)	55,000
• Other income	3,000

Deductions allowed under section 80C to 80U

2,00,000

Compute his tax liability for the assessment year 2023-24.

**(ii) Presume he is resident and is aged 82 years.**

**Question 5 (a).****(5 Marks)**

Mr. X has income from business ₹ 203 lakhs and short term capital gain under section 111A ₹ 30 lakhs and long term capital gains under section 112A ₹ 41 lakhs. Compute his total income and tax liability for the assessment year 2023-24.

**Question 5 (b).****(5 Marks)**

Compute tax liability of ABC Ltd. a domestic company in the following situations:

- The company has income under the head Business/Profession ₹500,00,000.
- The company has income under the head Business/Profession ₹100,00,000.
- The company has long term capital gains of ₹200,00,000.
- The company has long term capital gains of ₹10,20,000.
- The company has income under the head Business/Profession ₹11 crore.

**Question 6 (a).****(5 Marks)**

Mr. X, aged 68 years, has income under the head House Property ₹5,25,000, agricultural income of ₹1,00,000, Long term capital gain amounting to ₹45,000 and casual income ₹35,000. He is eligible for deduction under section 80C ₹20,000.

Compute tax liability of Mr. X for assessment year 2023-24.

**Question 6 (b).****(5 Marks)**

Compute Tax Liability as per section 115BAC in the following independent cases.

- Mr. X has total income of ₹6,00,000
- Mr. X has total income of ₹8,00,000
- Mr. X has total income of ₹10,00,000
- Mr. X has total income of ₹12,00,000
- Mr. X has total income of ₹20,00,000

**Question 7 (a).****(5 Marks)**

Discuss the taxability of agricultural income under the Income Tax Act, 1961. How will income be computed where an individual derives agricultural and non-agricultural income?

**Question 7 (b).****(5 Marks)**

Write a note on Rebate under section 87A.

**SPACE FOR ROUGH WORK**