

DETAILED SOLUTION TO MOCK TEST PAPER -1

1. (i) (a)

Deductions allowed shall be as given below:

80C	98,465.50	
	<u>17,000.00</u>	1,15,465.50
80D	35,000.00	
Preventive health checkup	<u>5,000.00</u>	40,000.00
80TTB		<u>50,000.00</u>
		2,05,465.50

Note: Deduction under section 80D shall not be allowed for the medical expenditure for ₹25,000 because of payment in cash.

(ii) (c)

Pension 7,15,461+ 14,565 =	7,30,026
Less: Standard Deduction	<u>(50,000)</u>
Income under the head Salary	6,80,026
Interest on saving account	4,352
Interest on FD (67,500 / 90 x 100) presuming interest is after TDS	<u>75,000</u>
Income under the head Other Sources	79,352
Gross Total Income	7,59,378

(iii) (a)

Gross Total Income	7,59,378.00
Less: Deduction u/s 80C to 80U	2,05,465.50
Total Income	5,53,912.50
Rounded off u/s 288A	5,53,910.00
Tax Liability	
5,00,000	Nil
53,910 @ 20%	10,782.00
Add: HEC @ 4%	431.28
Tax Liability	11,213.28
Less: TDS	
TDS on pension	14,565.00
TDS on interest	<u>7,500.00</u>
	(22,065.00)
Refund	10,852.00

Rounded off u/s 288B	10,850.00
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(iv) (d)

Pension 7,15,461+ 14,565 =	7,30,026
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Income under the head Salary	7,30,026
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Interest on saving account	4,352
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Interest on FD (67,500 / 90 x 100) presuming interest is after TDS	<u>75,000</u>
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Income under the head Other Sources	79,352
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Gross Total Income	8,09,378
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No deduction is allowed under section 80C to 80U except 80JJAA and 80CCD(2), hence total income shall be ₹8,09,378

Rounded off u/s 288A	₹8,09,380
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(v) (c)

Tax on 8,09,380 shall be:

2,50,000	Nil
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2,50,000	12,500
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2,50,000	25,000
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59,380 @ 15%	<u>8,907</u>
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	46,407
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Add: HEC @ 4%	1,856.28
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Tax	48,263.28
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Less: TDS

TDS on pension	14,565.00
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TDS on interest	<u>7,500.00</u>	(22,065.00)
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Tax	26,198.28
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Rounded off u/s 288B	26,200.00
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2. (a)

Deduction allowed to Rudra Limited shall be

$60,00,000 / 475,00,000 \times 325,00,000 = 41,05,263.15$

3. (c)

Since expenditure incurred on consumption of electricity during the year is exceeding ₹1,00,000 hence return of income is to be filed

4. (c)

5. (b)

Amount to be taxed in the hands of Nikki in various years shall be as given below:

P.Y. 2018-19	$3,00,000 \times 11\% = 33,000$	amount to be taxed in the hands of Nikki	Nil
P.Y. 2019-20	$33,000 \times 11\% = 3,630$	amount to be taxed in the hands of Nikki	3,630.00
P.Y. 2020-21	$(33,000 + 33,000 + 3,630) \times 11\%$	amount to be taxed in the hands of Nikki	7,659.30
P.Y. 2021-22		amount to be taxed in the hands of Nikki	12,131.82
	$(33,000 + 33,000 + 33,000 + 3,630 + 7,659.30) \times 11\% = 12,131.82$		