

DETAILED ANSWERS TO MCQ OF RTP NOV – 2022

1. As per section 194-IC, tax shall be deducted at source @ 10%, accordingly TDS shall be 100 lakhs x 10% = 10 lakhs

Answer – (a)

2. Capital gains shall be computed in the year in which the land has been handed over to the builder i.e. the year 2019-20.

Full value of consideration $2,51,00,000 \times 3 = 7,53,00,000 + 100,00,000$ (cash payment)	8,53,00,000
Less: Cost of acquisition	80,50,000
Short term capital gains	7,72,50,000

In case of specified agreement under section 45(5A), capital gains shall be computed in the year in which land has been handed over to the builder but shall be taxable in the year in which the certificate of completion has been issued (Alternate view: Capital gain can be computed in the year in which certificate of completion has been issued. This view has been taken by ICAI in question no.2(b) of Dec 2021 – Suggested answers).

Answer – (c)

3. Mr. Sakshar has sold two flats for ₹2,70,00,000 but stamp duty value is 2,98,00,000 which is more than 10% of the sale value hence FVC shall be 2,98,00,000 and capital gains shall be computed in the manner given below:

FVC $(2,98,00,000 \times 2)$	5,96,00,000
Less: Cost of acquisition $(2,51,00,000 \times 2)$	5,02,00,000
Short term capital gains	94,00,000

Answer – (d)

4. Mr. Kevin has purchased flat for a value which is less than the stamp duty value hence difference shall be considered to be gift under the head other sources and taxable income shall be

$(2,98,00,000 \times 2) - (2,70,00,000 \times 2) = 5,96,00,000 - 5,40,00,000 =$	56,00,000
Add: Salary income $30,50,000 - 50,000 =$	30,00,000
Taxable income	86,00,000

Answer – (c)

5. Interest allowed shall be $35,00,000 \times 12\% \times 9/12 = 3,15,000$

Deduction allowed under section 24(b) shall be ₹2,00,000 and under section 80EEA ₹1,15,000, total ₹3,15,000

Answer – (b)

6. In this case premium paid for LIC policy is ₹1,70,000 but premium allowed shall be 10% of sum assured i.e. ₹1,60,000 but under section 80C maximum amount allowed is ₹ 1,50,000.

Deduction allowed under section 80D shall be ₹1,80,000 / 6 i.e. 30,000. Total deduction allowed ₹1,80,000

Answer – (d)

7. Salary income shall be as given below:

Basic Pay $(2,25,000 \times 11)$	24,75,000
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D.A. 12% of Basic pay	2,97,000
Employer contribution 11% (basic pay + D.A.) 3,04,920	Exempt
Interest on employee contribution in excess of 2,50,000 (49,325 / 6,09,840 x 54,920)	4,442
Gross Salary	27,76,442
Less: Standard Deduction 16(ia)	(50,000)
Income under the head salary	27,26,442

Answer – (a)

8. Salary income (₹4,50,000 x 12)	54,00,000
Computation of Tax under section 115BAC	
On first ₹2,50,000	Nil
On next ₹2,50,000 @ 5%	12,500
On next ₹2,50,000 @ 10%	25,000
On next ₹2,50,000 @ 15%	37,500
On next ₹2,50,000 @ 20%	50,000
On next ₹2,50,000 @ 25%	62,500
On balance ₹39,00,000 @ 30%	11,70,000
Tax before health and education cess	13,57,500
Add: Surcharge @ 10%	1,35,750
Tax before health and education cess	14,93,250
Add: Health and Education cess @ 4%	59,730
Tax	15,52,980
Less: 15,52,980 / 54,00,000 x 6,00,000	1,72,553.33
Tax Liability	13,80,426.67
Rounded off u/s 288B	13,80,427.00

Answer – (a)