

SOLUTION OF MCQS OF RTP

NOV 2021

INCOME TAX

Answer to Q2

Taxable income under the head house property

Delhi Flat

Gross Annual Value	3,90,000
Less: Municipal Taxes	(40,000)
Net Annual Value	3,50,000
Less: 30% of Standard Deduction u/s 24(a)	(1,05,000)
Less: Interest u/s 24(b)	(3,14,000)
Loss from Delhi House	(69,000)

Ranchi House

Arrears of Rent	2,96,000
Less: 30% deduction	(88,800)
Income from Ranchi house	2,07,200

Income under the head House Property (2,07,200 – 69,000) 1,38,200

Answer to Q3

Calculation of Capital Gains in the hands of Mr. Animesh

Full value of consideration (10,000 x 480)	48,00,000
Less: Cost of Acquisition	(30,00,000)

Higher of

(i) COA – 100 x 10000 = 10,00,000

(ii) Lower of

(a) FMV as on 31.01.2018 (highest rate)

(300 x 10000 = 30,00,000)

(b) Sale value 48,00,000

Long term Capital Gains 18,00,000

Answer to Q4

Computation of Total Income of Mr. Animesh

Income under the head house property	1,38,200
Income under the head capital gains	18,00,000
Income under the head other sources (50%)	3,10,000
Gross Total Income	22,48,200
Less: Deductions u/s 80C	(80,000)
Total Income	21,68,200

Answer to Q5

Computation of Tax Liability as per normal scheme

Tax on LTCG u/s 112A (18,00,000-1,00,000) X 10%	1,70,000.00
Tax on normal income at slab rate 3,68,200	3,410.00
Tax before health cess	1,73,410.00
Add: Health cess @ 4%	6,936.40
Tax Liability	1,80,346.40
Rounded off u/s 288B	1,80,350.00

Computation of Tax Liability as per section 115BAC

Total Income as per section 115BAC	22,48,200.00
Tax Liability	

Tax on LTCG u/s 112A (18,00,000-1,00,000) X 10%	1,70,000.00
Tax on normal income at 4,48,200 as per 115BAC	9,910.00
Tax before health cess	1,79,910.00
Add: Health cess @ 4%	7,196.40
Tax Liability	1,87,106.40
Rounded off u/s 288B	1,87,110.00

Tax Liability is lower in case of Normal scheme i.e. 1,80,350

Answer to Q8

Computation of deduction available under chapter VIA

Section 80C – LIC premium	55,000	
80CCD	<u>1,61,280</u>	
But restricted to		1,50,000
80CCD(1B)		50,000
80CCD (2) (10% of salary 13,44,000)		1,34,400
80D - Health Insurance Premium		35,000
Total Deductions allowed		3,69,400

Answer to Q9

Computation of capital gains

Full value of consideration	80,00,000
Less: Index Cost of Acquisition	(66,22,000)
(22,00,000/100 x 301)	
Long term capital gain	13,78,000