

MOCK TEST

MAY 22/NOV 22

TAXATION

AGRICULTURAL INCOME TO MISCELLANEOUS TOPICS

Time allowed: 3 hours

Maximum Marks: 100

MCQ BOOKLET NO. 1234567

PAPER CODE- MKG

MULTIPLE CHOICE QUESTION (30 Marks)

1. (1 Marks)

Sham Singh spends ₹1,00,000 on cultivation and harvesting of his agricultural produce. 50% of the production is sold for ₹1,10,000 and rest is stored for self consumption. What is the amount of the agricultural income?

- (a) ₹ 60,000
- (b) ₹ 1,10,000
- (c) ₹ 1,20,000
- (d) ₹ 1,00,000

2. (1 Marks)

Mr. Ajay Sahu, proprietor of M/s Blue Bird Enterprises having turnover of ₹ 65 lakhs and Turnover is less than 100 lakhs during P.Y. 2020-21, has received two bills for payment. The first bill is for ₹ 42,00,000 from Vijay Associates, an advocate and property dealer firm, for his daughter's hearing and ₹ 21,00,000 from same Vijay Associates for brokerage service provided in relation to purchase of one property. Both bills were raised on 21-12-2021 but payment were made in instalments. 1st Instalment of ₹5,00,000 as advance was payment on 15-11-2021, 2nd Instalment of ₹45,00,000 on 25-03-2022 and balance amount ₹13,00,000 on 31-03-2022. Determine the TDS liability for Mr. Ajay Sahu, if any, for A.Y. 2022-23?

- (a) ₹ 2,50,000
- (b) ₹ 3,15,000
- (c) ₹ 65,000

(d) Nil

3.

(1 Mark)

Mr. Nihar maintains a Savings A/c and a Current A/c in Mera Bank Ltd. The details of withdrawals on various dates during the previous year 2021-22 are as follows:

| Date of Cash withdrawal | Saving Account | Current account |
|-------------------------|----------------|-----------------|
| 05.04.2021 | 15,00,000 | - |
| 10.05.2021 | - | 22,00,000 |
| 25.06.2021 | 20,00,000 | - |
| 17.07.2021 | - | 5,00,000 |
| 28.10.2021 | 35,00,000 | - |
| 10.11.2021 | - | 38,00,000 |
| 12.12.2021 | 25,00,000 | - |

Is Mera Bank Limited required to deduct tax at source on the withdrawals made by Mr. Nihar during the previous year 2021-22? If yes, what would the amount of tax deducted at source? If Mr. Nihar is in normal category and special category.

- (a) 3,20,000 and 3,00,000
 (b) 3,20,000 and 4,20,000
 (c) 3,20,000 and 3,20,000
 (d) 3,20,000 and 4,50,000

4.

(1 Marks)

An amount of ₹ 40,000 was paid to Mr. X on 1.7.2021 towards fees for professional services without deduction of tax at source. Subsequently, another payment of ₹ 50,000 was due to Mr. X on 28.2.2022, from which tax @ 10% (amounting to ₹ 9,000) on the entire amount of ₹ 90,000 was deducted. However, this tax of ₹ 9,000 was deposited only on 22.6.2022. The interest, chargeable under section 201(1A) would be:

- (a) ₹ 1,080
 (b) ₹ 860
 (c) ₹ 1,620
 (d) ₹ 840

5.

(1 Marks)

Which of the following statements is/are true in respect of taxability of agricultural income under the Income-tax Act, 1961?

- (i) Any income derived from saplings or seedlings grown in a nursery is agricultural income exempt from tax u/s 10(1).
 (ii) 60% of dividend received from shares held in a tea company is agricultural income exempt from tax u/s 10(1).
 (iii) While computing income tax liability of an Assessee aged 50 years, agricultural income is required to be added to total income only if net agricultural income for the P.Y. exceeds ₹5,000 and the total income (including net agricultural income) exceeds ₹2,50,000.
 (iv) While computing income tax liability of an Assessee aged 50 years, agricultural income is required to be added to total income only if net agricultural income for the P.Y. exceeds ₹5,000 and the total income (excluding net agricultural income) exceeds ₹2,50,000.

Choose from the following options:

- (a) (i) and (iii)
 (b) (ii) and (iii)

- (c) (i) and (iv)
 (d) (i), (ii) and (iv)

6. (1 Marks)
The proportion of agricultural and business income in case of income derived from the sale of coffee grown and cured by the assessee in India is -

- (a) 65% and 35%, respectively (b) 75% and 25%, respectively
 (c) 60% and 40%, respectively (d) 70% and 30%, respectively

7. (1 Marks)
Mr. Ram acquired a house property at Chennai from Mr. Satyam, a resident, for a consideration of ₹85 lakhs, on 23.8.2021. On the same day, Mr. Ram made two separate transactions, thereby acquiring an urban plot in Gwalior from Mr. Vipun for a sum of ₹50 lakhs and rural agricultural land from Mr. Danish for a consideration of ₹75 lakhs. Which of the following statements are correct?

- (a) No tax deduction at source is required in respect of any of the three payments.
 (b) TDS @ 1% is attracted on all the three payments.
 (c) TDS @ 1% on ₹85 lakhs and ₹50 lakhs are attracted. No TDS on payment of ₹75 lakhs for acquisition of rural agricultural land
 (d) TDS @ 1% on ₹85 lakhs is attracted. No TDS on payments of ₹50 lakhs and ₹75 lakhs.

8. (1 Marks)
In case of an individual aged 61 years, partial integration of agricultural income is not required if his-

(a) Net agricultural income does not exceed ₹5,000.
 (b) Non-agricultural income does not exceed ₹2,50,000.
 (c) Non-agricultural income does not exceed ₹3,00,000.
 (d) Either (a) or (c) above.

9. (1 Marks)
Mrs. Shivani, wife of Mr. Anurag, is a partner in a firm. Her capital contribution of ₹5 lakhs to the firm as on 1.4.2021 included ₹3.5 lakhs contributed out of gift received from Anurag. On 10.4.2021, she further invested ₹2 lakh out of gift received from Anurag. The firm paid interest on capital of ₹50,000 and share of profit of ₹60,000 during the F.Y.2021-22. The entire interest has been allowed as deduction in the hands of the firm. Which of the following statements is correct?

- (a) Share of profit is exempt but interest on capital is taxable in the hands of Mrs. Shivani.
 (b) Share of profit is exempt but interest of ₹39,286 is includible in the income of Mr. Anurag and interest of ₹10,714 is includible in the income of Mrs. Shivani.
 (c) Share of profit is exempt but interest of ₹35,000 is includible in the income of Mr. Anurag and interest of ₹15,000 is includible in the income of Mrs. Shivani.
 (d) Share of profit to the extent of ₹42,000 and interest on capital to the extent of ₹35,000 is includible in the hands of Mr. Anurag.

10. (1 Marks)
Income of a minor child suffering from any disability of the nature specified in section 80U is -

- (a) to be assessed in the hands of the minor child
 (b) to be clubbed with the income of that parent whose total income, before including minor's income, is higher
 (c) completely exempt from tax

(d) to be clubbed with the income of father

11. (1 Marks)

Mr. A has two bank accounts maintained with ICICI Bank and HDFC Bank. From 01.09.2021 till 31.03.2022, Mr. A withdrew the following amounts as cash from both the said accounts;

HDFC Bank: ₹50 Lakh

ICICI Bank: ₹120 Lakh

Compute the amount of tax to be deducted at source u/s 194N by HDFC Bank and ICICI Bank, respectively, while making payment in cash to Mr. A.

(a) ₹1,00,000 and ₹2,40,000

(b) Nil and ₹40,000

(c) Nil and ₹2,40,000

(d) ₹50,000 and ₹1,20,000

12. (1 Marks)

Mr. Aarav gifted a house property valued at ₹50 lakhs to his wife, Geetha, who in turn has gifted the same to her daughter-in-law Deepa. The house was let out at ₹25,000 per month throughout the P.Y.2021-22. Compute income from house property for A.Y.2022-23.

In whose hands is the income from house property chargeable to tax?

(a) ₹3,00,000 in the hands of Mr. Aarav

(b) ₹2,10,000 in the hands of Mr. Aarav

(c) ₹2,10,000 in the hands of Geetha

(d) ₹2,10,000 in the hands of Deepa

13. (1 Marks)

While deciding liability of an individual to deduct tax on payment of fees for professional services, which of the following is immaterial -

(a) Amount paid to professional

(b) Turnover of financial year immediately preceding financial year in which payment made

(c) Turnover of financial year in which payment is made

(d) Amount of fees for professional services

14. (1 Marks)

Mr. Vishal started a proprietary business on 01.04.2020 with a capital of ₹5,00,000. He incurred a loss of ₹ 1,00,000 during the year 2020-21. To overcome the financial position, his wife Mrs. Kamini, a Chartered Accountant, gave a gift of ₹ 4,00,000 on 01.04.2021, which was immediately invested in the business by Mr. Vishal. He earned a profit of ₹ 2,00,000 during the year 2021-22. What is the amount to be clubbed in the hands of Mrs. Kamini for the Assessment Year 2022 -23?

(a) ₹ 88,888

(b) ₹ 1,00,000

(c) ₹ 2,00,000

(d) Nil

15. (1 Marks)

Mr. Prakash is employed with XYZ Ltd. from 05.11.2017. He resigned on 31.03.2022 and also withdrew a sum of ₹ 55,000, being the accumulated balance of employer's contribution in his EPF Account, on the same date. The tax would be deducted -

(a) ₹ 500 u/s 192

- (b) ₹ 5,500 u/s 192
 (c) ₹ 4,125 u/s 192A
 (d) ₹ 5,500 u/s 192A

16. (1 Marks)

Ms. Shalini received interest on enhanced compensation of ₹ 5,00,000. Out of this interest, ₹ 1,50,000 relates to the previous year 2019-20, ₹ 1,90,000 relates to previous year 2020-21 and ₹ 1,60,000 relates to previous year 2021-22. She paid ₹ 1 lakh to her advocate for his efforts in the matter. What amount would be taxable in P.Y. 2021-22 and taxable, if any, under which head of income.

- (a) ₹2,50,000 under the head “income from other sources”
 (b) ₹ 4,00,000 under the head “income from other sources”
 (c) ₹1,60,000 under the head “income from other sources”
 (d) ₹1,60,000 under the head “Capital gains”

17. (1 Marks)

Which of the following income is not exempt under section 10?

- (a) Share income of a member from a HUF
 (b) Share income of a partner from a firm
 (c) Salary received by a partner from a firm
 (d) Both (b) and (c)

18. (1 Marks)

Which of the following benefits are not allowable to Ms. Geetha, a non-resident, while computing her total income and tax liability for A.Y.2022-23 under the Income-tax Act, 1961?

- (a) Deduction of 30% of gross annual value while computing her income from house property in Bangalore, India
 (b) Tax rebate of ₹12,500 from tax payable on her total income of ₹3,40,000
 (c) Deduction for donation made by her to Prime Minister’s National Relief Fund
 (d) Deduction for interest earned by her on NRO savings account

19. (1 Marks)

Mr. Jha, an employee of FX Ltd, attained 60 years of age on 15.05.2021. He is resident in India during F.Y. 2021-22 and earned salary income of ₹5 lacs (computed). During the year, he earned ₹ 7 lacs from winning of lotteries. Compute his advance tax liability for A.Y. 2022-23:

- (a) ₹ 2,20,000 + Cess ₹ 8,800 = ₹2,28,800, being the tax payable on total income of ₹12 lacs
 (b) ₹ 2,10,000 + Cess ₹ 8,400 = ₹2,18,400, being the tax payable on lottery income of ₹7 lacs
 (c) ₹ 10,000 + Cess ₹400 = ₹ 10,400, being the tax payable on salary income, since tax would have been deducted at source from lottery income.
 (d) Nil

20. (1 Marks)

Which of the following income would be exempt in the hands of a Sikkimese Individual?

- (a) only income from any source in the State of Sikkim
 (b) only income by way of dividend
 (c) only income from interest on securities
 (d) All the above

21. (1 Marks)

Exemption of a certain amount (not exceeding the income clubbed) is available under section 10(32), where a minor’s income is clubbed with the income of the parent. The maximum exemption available is -

- (a) upto ₹1,500 in respect of each minor child

- (b) upto ₹1,500 in respect of each minor child maximum of two children
 (c) upto ₹2,000 in respect of each minor child
 (d) upto ₹2000 in respect of each minor child maximum of two children

22.

(1 Marks)

Mr. X received a cell phone as a gift from his friend valued ₹ 1,00,000, in this case

- (a) It is taxable under the head Other Sources
 (b) It is taxable under the head Business/Profession
 (c) It is not taxable
 (d) None of these

23.

(1 Marks)

The deduction in respect of interest on enhanced compensation of ₹1,50,000 received during the previous year 2021-22, would be –

- (a) ₹ 1,50,000, being 100% of ₹ 1,50,000
 (b) ₹ 75,000, being 50% of ₹ 1,50,000
 (c) ₹ 45,000, being 30% of ₹ 1,50,000
 (d) Nil

24.

(1 Marks)

M/S Mohan & Sons (liable to audit) paid ₹35,000 to Mr. Goel on 01.05.2021 towards fee for legal advisory services without deduction of tax at source. Another payment of ₹47,000 was due to Mr. Goel on 31.07.2021 and TDS on entire amount (i.e. ₹35,000 plus ₹47,000) was deducted and then the net amount was paid. However, the total tax deducted was deposited on 15.11.2021. The interest chargeable under section 201 will be:

- (a) ₹650
 (b) ₹433
 (c) ₹486
 (d) ₹597

25.

(1 Marks)

Which of the following statement is correct.

- (a) As per section 194H tax shall be deducted at source @ 5% provided the amount being paid or payable to a particular person during a particular year is ₹ 15,000 or more
 (b) As per section 194H tax shall be deducted at source @ 5% provided the amount being paid or payable to a particular person during a particular year is exceeding ₹ 15,000
 (c) As per section 194H tax shall be deducted at source @ 10% provided the amount being paid or payable to a particular person during a particular year is exceeding ₹ 15,000
 (d) None of these

26.

(1 Marks)

Mr. X paid fees for professional services of ₹40,000 to Mr. Y, who is engaged only in the business of operation of call centre, on 15.7.2021. Tax is to be deducted by Mr. X at the rate of –

- (a) 1% (b) 2% (c) 10% (d) 20%

27.

(1 Marks)

A registered firm pays salary and interest on capital to its resident partners. Which of the following statements is true?

- (a) Tax has to be deducted u/s 192 on salary and u/s 194A on interest
 (b) Tax has to be deducted u/s 192 on salary but no tax needs to be deducted on interest
 (c) No tax has to be deducted on salary but tax has to be deducted u/s 194A on interest
 (d) No tax has to be deducted at source on either salary or interest

28.

(1 Marks)

In respect of winnings from lottery, crossword puzzle or race including horse race or card game etc.

- (a) no deduction under Chapter VI-A is allowed and basic exemption limit cannot be exhausted

- (b) no deduction under Chapter VI-A is allowed but unexhausted basic exemption can be exhausted
(c) both deduction under Chapter VI-A and basic exemption are allowed
(d) deduction under Chapter VI-A is allowed but basic exemption limit cannot be exhausted

29.

(1 Marks)

Mr. Arjun, aged 53 years, has a total income of ₹51 lakhs for A.Y.2022-23. His total income comprises of salary, income from house property and interest on savings bank account. His tax liability for A.Y.2022-23 would be –

- (a) ₹13,96,200 (b) ₹14,82,000 (c) ₹15,35,820 (d) ₹14,69,000

30.

(1 Marks)

Mr. X has four minor children consisting 2 daughters and 2 sons. The annual income of 2 daughters was ₹7,500 and ₹ 5,000 and of sons was ₹ 5,500 and ₹ 1,250 respectively. The daughter who was having income of ₹5,000 was suffering from a disability specified under section 80U. Work out the amount of income earned by minor children to be clubbed in the hands of Mr. X.

- (a) 11,500
(b) 19,250
(c) 10,000
(d) 13,000

SUBJECTIVE TYPE QUESTION (70 Marks)

Question 1 (a)
(5 Marks)

Details of Income of Mr. R and his wife Mrs. R for the previous year 2021-22 are as under :

- (i) Mr. R transferred his self-occupied property without any consideration to the HUF of which he is a member. During the previous year 2021-22 the HUF earned an income of ₹50,000 from such property.
- (ii) Mr. R transferred ₹4,00,000 to his wife Mrs. R on 01.04.2006 without any consideration which was given as a loan by her to Mr. Girish. She earned ₹3,50,000 as interest during the earlier previous years which was also given as a loan to Mr. Girish. During the previous year 2021-22, she earned interest @ 11% per annum.
- (iii) Mr. R and Mrs. R both hold equity shares of 27% and 25% respectively in AMG Limited. They are also working as employees in such Company. During the financial year 2021-22 they have withdrawn a salary of ₹3,20,000 and ₹ 2,70,000 respectively.
- (iv) Mrs. R transferred 5,000 equity shares of RSB Ltd. on 17.09.2013 to Mr. R without any consideration. The Company issued 3,000 bonus shares to Mr. R in 2016. On 04.03.2022, Mr. R sold entire share holdings and earned ₹5,20,000 as capital gains.

Apart from above income, Mr. R has income from commission ₹4,00,000 and Mrs. R has interest income of ₹3,30,000.

Compute Gross Total income of Mr. R and Mrs. R for the assessment year 2022-23.

Question 1 (b)
(5 Marks)

State in brief the applicability of provisions of tax deduction at source, the rate and amount of tax deduction in the following cases for the financial year 2021-22 under Income Tax Act, 1961. Assume that all payments are made to residents:

- (i) Mr. Mahesh has paid ₹6,00,000 on 15.10.2021 to M/s Fresh Cold Storage Pvt. Ltd. for preservation of fruits and vegetables. He is engaged in the wholesale business of fruits & vegetable in India having turnover of ₹3 Crores during the previous year 2020-21.
- (ii) Mr. Ramu, a salaried individual, has paid rent of ₹60,000 per month to Mr. Shiv Kumar from 1st July, 2021 to 31st March, 2022. Mr. Shiv Kumar has not furnished his Permanent Account Number.

Question 2 (a)
(5 Marks)

Miss. Kavita, a resident and ordinarily resident in India, has derived the following income for the year ended 31-3-2022.

| | ₹ |
|---|-----------|
| (i) Income from sale of centrifuged latex processed from rubber plants grown in Darjeeling. | 1,00,000 |
| (ii) Income from sale of coffee grown and cured in Yercaud, Tamil Nadu | 2,00,000 |
| (iii) Income from sale of coffee grown, cured in Colombo. Sale Consideration was received in Chennai. | 5,00,000 |
| (iv) Income from sale of tea grown and manufactured in Shimla. | 10,00,000 |
| (v) Income from sapling and seedling grown in a nursery at Cochin. Basic operations were not carried out by her on land. | 2,00,000 |

You are required to compute the Income of Miss. Kavita for the Assessment Year 2022-23.

Question 2 (b)**(5 Marks)**

Mr. X is an employee of Larsen Limited and has substantial interest in the company. His salary is ₹25,000 p.m. Mrs. X also is working in that company at a salary of ₹10,000 p.m. without any professional qualification. Mr. X also receives ₹ 30,000 as income from securities, Mrs. X owns a house property which she has let out. Rent received from such house property is ₹ 12,000 p.m.

Mr. & Mrs. X have three minor children-two twin daughters and one son. Income of the twin daughters is ₹2,000 p.a. each and that of his son is ₹ 1,200 p.a. Compute the income of Mr. & Mrs. X.

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

Mr. X reports the following transactions to you:

(i) Received cash gifts on the occasion of his marriage on 15.06.2021 of ₹ 1,08,000. It includes gift of ₹28,000 received from non-relatives.

(ii) On 15.08.2021, being his birthday, he received a gift by means of cheque from his mother's maternal aunt for an amount of ₹ 49,000.

(iii) On 25.12.2021 he acquired a vacant site from his friend for ₹ 1,50,000. The State stamp valuation authority fixed the value of site at ₹ 2,25,000 for stamp duty purpose.

(iv) He bought 200 equity shares of a listed company from another friend for ₹ 75,000.

The value of shares in the stock exchange on the date of purchase was ₹ 1,75,000.

(v) A cell phone worth ₹ 21,000 is gifted by his friend on 16.8.2021

Determine the amount chargeable to tax in the hands of Mr. X for the Assessment Year 2022-23.

Your answer should be supported with reasons.

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

Examine the following transactions with reference to applicability of the provision of tax collected at source and the rate and amount of the TCS for the Assessment year 2022-23.

(i) Mr. Kalpit bought an overseas tour programme package for Singapore for himself and his family of ₹5 lakhs on 01.11.2021 from an agent who is engaged in organising foreign tours in course of his business. He made the payment by an account payee cheque and provided the permanent account number to the seller. Assuming Kalpit is not liable to deduct tax at source under any other provisions of the Act.

(ii) Mr. Anu doing business of textile as a proprietor. His turnover in the business is ₹11 crores in the previous year 2020-21. He received payment against sale of textile goods from Mr. Ram ₹75 lakhs against the sales made to him in the previous year and proceeding previous years. (Assuming all the sales are domestic sales and Mr. Ram is neither liable to deduct tax on the purchase from Mr. Anu nor he deducted any tax at source).

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

Write a note on Deduction of tax at source on payment of certain sum for purchase of goods.

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

Ms. Julie received following amounts during the previous year 2021-22.

(1) Received loan of ₹5,00,000 year from the ABC Private Limited, a closely held company engaged in textile business. She is holding 10% of the equity share capital in the said company. The accumulated profit of the company was ₹2,00,000 on the date of the loan.

(2) Received Interest on enhanced compensation of ₹5,00,000. Out of this interest, ₹1,50,000 relates to the previous year 2018-19, ₹1,90,000 relates to previous year 2019-20 and ₹1,60,000 relates to previous year 2020-21. She paid 1 lakh to her advocate for his efforts in the matter.

Discuss the tax implications, if any, arising from these transactions in her hand with reference to Assessment Year 2022-23.

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

From the following information, compute taxable income and tax liability of Mrs. X for the assessment year 2022-23.

| | ₹ |
|--|----------|
| Income from business – letting cycles on hire | 2,40,000 |
| Fixed deposit interest received from companies on deposits made of sale proceeds of land | 18,000 |
| Dividends from an Indian company having rubber plantations | 6,000 |
| Salary received as a partner from a firm growing and manufacturing tea | 40,000 |
| Sale of agricultural produce | 1,75,000 |
| Payment of government tax on agricultural lands | 6,000 |
| Expenses on power, irrigation cess and farm labour | 10,000 |
| Purchase of seeds | 1,000 |
| Tractor hire charges (for agricultural operations) | 2,500 |

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

Examine the TDS implications in the following cases along-with reasons thereof;

- (i) Ms. Varsha received a sum of ₹ 95,000 on 31st December 2021 towards maturity proceeds of LIC taken on 1st October 2013 for which sum assured was ₹ 80,000 and annual premium was ₹ 10,000.
- (ii) Mr. Deepak transferred a residential house property to Mr. Karan for ₹ 45 lacs. The stamp duty value of such property is ₹ 55 lacs.
- (iii) XYZ Private Limited pays the following amounts to Mr. Narayan during previous year 2021-22:
 - (1) ₹ 22,000 towards fee for professional services
 - (2) ₹ 18,000 towards royalty
- (iv) Payment of ₹ 1,75,000 made to Mr. Vaibhav for purchase of calendar according to specification of M/s. ABC Limited. However, no material was supplied for such calendar by ABC Limited to Mr. Vaibhav.
- (v) Talent Private Limited pays ₹ 12,000 to Ms. Sudha, its director, towards sitting fee which is not taxable u/s 192.
- (vi) Radha Limited is engaged for Shyam Limited only in the business of operation of call centre. On 18-03-2022, the total amount credited by Shyam Limited in the ledger account of Radha Limited is ₹ 70,000 regarding service charges of call centre. The amount is paid through cheque on 28/03/2022 by Shyam Limited.

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

What are the clarifications made by CBDT with respect to Section 206 C (1F) relating to following issues:

- (i) Whether TCS on sale of motor vehicle is applicable only to luxury car?
- (ii) Whether TCS is applicable on each sale or aggregate value of sale motor vehicle, exceeding ₹ 10 lakhs?
- (iii) Whether TCS is applicable in case of an individual?
- (iv) Whether TCS on sale of motor vehicle is at retail level or only by manufacturer to distributor or dealer?

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

Write a note on TDS in case of Payment of certain amounts in cash. Section 194N

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

Mention the significant differences between TDS and TCS.

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

Mrs. X has received incomes as given below during the previous year 2021-22:

1. Interest on savings bank account with State Bank ₹50,000 (gross).
2. Interest from Government securities ₹1,00,000 on 01.01.2022 (collection charge paid to the bank @ 1.5%).
3. Interest from ABC Ltd on non listed debentures ₹3,60,000 (after TDS) on 01.03.2022 (collection charge paid to the bank ₹30).
4. Interest credited to post office savings bank account during the year ₹ 10,000.
5. Interest credited to public provident fund during the year ₹ 15,000.
6. Interest received from XYZ Ltd on listed debentures ₹ 1,35,000 (Net).
(Collection charge ₹30) The amount was invested by taking a loan of ₹15,00,000 @ 12% p.a.
7. Mrs. X received rent of house property ₹ 72,000 per month after TDS.
8. Winnings from a lottery ₹70,000 (after TDS)

Compute her tax liability and also tax payable for the assessment year 2022-23.