

Enrollment No./Seat No.:

**GUJARAT TECHNOLOGICAL UNIVERSITY**  
**Bachelor of Vocation - SEMESTER - I EXAMINATION - WINTER 2025**

**Subject Code: BV01008031**

**Date: 01-12-2025**

**Subject Name: Direct Taxation-1**

**Time: 10:30 AM TO 12:30 PM**

**Total Marks: 50**

**Instructions**

- 1. Attempt all questions.**
- 2. Make Suitable assumptions wherever necessary.**
- 3. Figures to the right indicate full marks.**
- 4. Use of simple calculators and non-programmable scientific calculators are permitted.**

	<b>Marks</b>
<b>Q.1 (a)</b> Explain types of Taxation in India.	<b>05</b>
<b>(b)</b> Evaluate Scope of Total Income as per Income Tax Act, 1961.	<b>05</b>
<b>Q.2 (a)</b> Create two different situations when an assessee can become NRI.	<b>05</b>
<b>(b)</b> What do you understand by the term Previous Year, Assessment year, Gross Total Income and Total Income?	<b>05</b>
<b>OR</b>	
<b>(b)</b> What Do You understand by the term Tax avoidance, Tax Evasion and Tax Planning?	<b>05</b>
<b>Q.3 (a)</b> Mr. Dey, residing in US since 1990, visits India for 30 days every year. He came back to India on 1.4.2023 for permanent settlement. What will be his residential status for A.Y. 2025-26?	<b>05</b>
<b>(b)</b> Write a Short Note on Agricultural Income	<b>05</b>
<b>OR</b>	
<b>(a)</b> Mr. Ram, an Indian citizen, left India on 22.09.2024 for the first time to work as an officer of a company in Germany. Determine the residential status of Ram for the A.Y. 2025-26.	<b>05</b>
<b>(b)</b> Write a Short note on Deduction u/s 80 C	<b>05</b>
<b>Q.4 (a)</b> Mr. Raj Kumar has the following receipts from his employer: (1) Basic pay Rs. 40,000 p.m. (2) Dearness allowance (D.A.) Rs. 6,000 p.m. (3) Commission Rs. 50,000 p.a. (4) Motor car for personal use (expenses met by the employer) Rs. 1,500 p.m. (5) House rent allowance Rs. 15,000 p.m.	<b>05</b>

Find out the amount of HRA exempt in the hands of Mr. Raj Kumar assuming that he paid a rent of Rs. 16,000 p.m. for his accommodation at Kanpur. DA forms part of salary for retirement benefits. Mr. Raj Kumar exercises the option of shifting out of the default tax regime provided under section 115BAC(1A).

- (b)** Mr. Sagar who retired on 1.10.2024 is receiving Rs. 5,000 p.m. as pension. **05**

On 1.2.2025, he commuted 60% of his pension and received Rs. 3,00,000 as commuted pension.

You are required to compute his taxable pension assuming:

- (a) He is a government employee.  
(b) He is a private sector employee and received gratuity of Rs. 5,00,000 at the time of retirement.  
(c) He is a private sector employee and did not receive any gratuity at the time of retirement.

**OR**

- (a)** Mr. Srikant has two sons. He is in receipt of children education allowance of Rs. 150 p.m. for his elder son and Rs. 70 p.m. for his younger son. Both his sons are going to school. **05**

He also receives the following allowances: Transport allowance : Rs. 1,800 p.m.  
Tribal area allowance : Rs. 500 p.m.

Compute his taxable allowances

- (b)** Mr. Ravi retired on 15.6.2024 after completion of 26 years 8 months of service and received gratuity of Rs. 15,00,000. **05**

At the time of retirement, his salary was:

Basic Salary : Rs. 50,000 p.m.

Dearness Allowance : Rs. 10,000 p.m. (60% of which is for retirement benefits)

Commission : 1% of turnover (turnover in the last 12 months was Rs. 1,20,00,000)

Bonus : Rs. 25,000 p.a.

Compute his taxable gratuity assuming:

- (a) He is private sector employee and covered by the Payment of Gratuity Act, 1972.  
(b) He is private sector employee and not covered by Payment of Gratuity Act, 1972.  
(c) He is a Government employee.

- Q.5 (a)** Rajesh, a British national, is a resident and ordinarily resident in India during the P.Y.2024-25. **05**

He owns a house in London, which he has let out at £ 10,000 p.m. The municipal taxes paid to the Municipal Corporation of London are £ 8,000 during the P.Y.2024-25.

The value of one £ in Indian rupee to be taken at Rs. 95.

Compute Rajesh's Net Annual Value of the property for the A.Y. 2025-26.

- (b)** Analyze deduction u/s 24 from Annual Value of a House Property. **05**

**OR**

- (a)** Analyse Treatment of unrealized rent [Explanation below section 23(1)] **05**

- (b)** Analyse tax treatment of Income from house property in case of deemed to be let out property [Section 23(4)] **05**

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