

**PREPARATORY TEST PAPER IV****(Clubbing, Set off, Other Sources, Tax Computation, Residential Status)**

Total No of Questions – 5

Time Allowed – 1 Hr 12 Mins

Maximum Marks – 30

All Questions are Compulsory.

All questions relate to **financial year 2024-25**, unless stated otherwise in the question. Working notes should form part of the respective answers. Wherever necessary, suitable assumptions may be made by the candidates and disclosed by way of note.

**Question 1:** Mr. X, a non-resident Indian permanently returned to India on 1.10.2024 after staying 15 years in London. Compute his total Income from the following information for the P.Y 2024-25:-

(i) Dividend received from foreign companies and collected through bank account in London ₹ 1 lakhs.

(ii) Income from House property at London ₹ 5 lakhs and received there.

(iii) During the Year 20X1-X2 he had sold 500 shares which were acquired by him in British Pound and the sale proceeds were repatriated. The profit in terms of British pound was 125% of the cost at ₹ 17,000 while in terms of Indian Rupee it was ₹ 25000.

(iv) He has two sons, one aged 12 years. Both are staying in London. Interest income of each child is ₹ 50,000 in London (not received in India) and ₹ 5,000 in India.

His elder brother, Mr. Y an Indian citizen leaves India for employment purpose for the first time on April 2024 to USA and again came back to India on Jan 2025 for employment in Kolkata. received salary of ₹ 12 lakhs directly credited to his Non-resident external account (NRE A/c) maintained with SBI, Kolkata Overseas Branch.

His Younger brother Z an Indian citizen is working for an Indian based MNC, his permanent working areas is New Delhi. However, he has to travel outside India for official purpose for the first time during the P.Y 2024-25 his period of stay in out side India is as under

Country	Period of Stay
USA	6th July 2024 to 20th September 2024
Japan	15th October 2024 to 20th March 2025

**Determine residential status of X, Y and Z and taxability of Income.**

**(10 Marks)****Question 2: (a):**

Mr. Young was born on 1/4/1965, provides the following information to calculate his tax liability under default Tax regime for the A.Y. 2025-26.

	₹
Business Income	2,80,000
STCG u/s 111A	1,50,000
Winning from lotteries	54,985

Calculate his tax Liability?

**(4 Marks)**

**Question 2: (b)**

Calculate the tax liability of Mr. X under default tax regime for the A.Y. 2025-26?

	₹ lacs
Business Income	600
LTCG 112A	21
STCG 111A	40
Cash Credit	10

**(4 Marks)**

**Question 3:** Mr. Rakesh Gupta has derived the following income/loss, as computed below, for the previous year 2024-25: (Solve as per old regime)

Loss from let out house property	2,50,-000
Loss from non-speculation business	3,20,000
Income from speculation business	12,45,000
Loss from specified business covered u/s 35AD	4,10,000
Winning from lotteries (Gross)	1,50,000
Winning from betting (Gross)	90,000
Loss from card games	3,40,000

You are required to compute the total income of the assessee for the assessment year 2025-26, showing clearly the manner of set-off and the items eligible for carry forward. The return of income has been filed on 30-7-2025.

**(4 Marks)**

**Question 4:** From the following information of Mrs. X for the year ending 31.3.2025. Compute the income taxable under the head “other sources”

(a) Cash gift of ₹ 51,000 received from friend on the occasion of “Shastipatha Poorthi”, a wedding function celebrated on her husband completing 60 years of age. This was also her 25<sup>th</sup> wedding anniversary.

(b) On the above occasion, a diamond necklace worth ₹ 2 lacs was presented by her sister living in Dubai.

(c) When she celebrated her daughter’s wedding on 21.2.2025, her friend assigned in Mrs. X favour, a fixed deposit held by the said friend in a schedule bank; the value of the fixed deposit and the accrued interest on the said date was ₹ 51,000.

**(4 Marks)**

**Question 5:** Mr. X gifted to his wife Mrs. X 100 listed shares on 21-3-2024, which had been bought by him on 19-4-2017 ₹ 2,000 per share. On 1-5-2024, bonus shares were allotted in the ratio of 2 bonus share for every one share. All these shares were sold by Mrs. X as under-

Date of sale	Manner of sale	No. of shares	Net sales value (₹)
21.5. 2024	Sold in recognized stock exchange, (STT paid both at the time of sale and purchase)	100	1,70,000
28.5. 2024	Private sale to an outsider	All bonus share	1,25,000

Fair Market Value on 31/1/2018 ₹ 1,500 per share being the highest price; 1490 being the lowest price. Compute Capital gains.

**(4 Marks)**