

TAXBOOK⁺

Hints to solutions

Rates of Tax

MCQ

M1. Suhani, a resident aged 30 years and having a total income of Rs. 4,90,000 for the PY 2021-22, computed.....

Correct sequence is tax on total income, rebate u/s 87A, SC, HEC

M5. Romit is a resident in India of age 60 years. He wants to know the maximum total income he can have.....

Romit is senior citizen. Tax on TI of 5L = 10,000 – Rebate u/s 87A 10,000 = Nil. Rebate not available over TI of 5L.

M6. Mrs. Sharma is a resident in India of age 80 years. She wants to know the maximum total income she can.....

BEL for super senior citizen is 5L. Rebate u/s 87A is not available if TI > 5L.

M7. Mr. John is a non-resident individual of age 70 years as on 31.3.2022. He wants to know the maximum.....

BEL is 2.5L and rebate u/s 87A is not available to non resident.

M8. Basic exemption limit for AY 2022-23 for Mrs. World, a non-resident, who turns 60 years of age on.....

Non resident is not a senior citizen. BEL of 2.5L will apply.

M9. Basic exemption limit for AY 2022-23 for Mr. World, a resident, who turns 80 years of age on 1st April.....

He is not a super senior citizen at any time during PY 2021-22. He is a senior citizen.

M10. Ruma, an individual of age 40 years having total income of Rs. 2.5 lakh, wants to know the highest tax.....

Tax is not leviable upto TI of 2.5L

M11. Rocky is a non-resident individual of age 60 years having total income of Rs. 3 lakh for the PY....

Rocky is not a senior citizen as he is a non resident. Normal tax rate slab will apply @ 5% for TI upto 5L

M12. Mr. Jagan is a resident individual of age 80 years having total income of Rs. 10 lakh for the PY.....

Super senior citizen is chargeable at 20% rate for TI exceeding 5L and up to 10L.

M13. Mr. Jain is an elderly individual resident in India. He wants to know whether, based on his date of birth.....

Resident individual born on 1.4.1962 will be 60 years of age on 31.3.2022 and will thus be a senior citizen for PY 2021-22 entitled to BEL of 3L. Similarly, a resident individual born on 1.4.1942 will be 80 years of age on 31.3.2022 and will thus be a super senior citizen for PY 2021-22 entitled to BEL of 5L. Thus, date of birth should be 1.4.1962 or before to become a senior citizen or super senior citizen for PY 2021-22.

M14. Rashmi, aged 40 years, has total income of Rs. 50 lakh for PY 2021-22. Her tax liability would be.....

Tax = 13,12,500 + 4% HEC of 52,500 = 13,65,000. SC Nil up to TI of 50L.

M16. Roma, aged 35 years, has a total income of Rs. 6.5 crore which includes dividend income and income.....

SC in respect of dividend/111A/112A cannot exceed 15%. 37% SC on tax on other income since it exceeds 5 crore.

M17. Rishi, aged 50 years, has a total income of 5 crore, comprising business income, for the PY....

Tax on 5 Cr = 1,48,12,500. SC @ 25% = 37,03,125. HEC @ 4% on Tax+SC = 7,40,625. Total = 1,92,56,250.

M22. Kapil, resident of age 55 years, has a total income of Rs. 55 lakh for PY 2021-22. Compute the amount.....

Tax + SC = 14,62,500 + 1,46,250 = 16,08,750. HEC @ 4% = 64,350.

M24. Compute the tax liability of Mrs. Z, a resident of age 55 years, having a total income of Rs. 102 lakh for.....

Tax on TI = 28,72,500. SC @ 15% = 4,30,875.

A: Tax and SC = 33,03,375

B: Tax+SC on 1 Cr + (TI – 1 Cr) = 30,93,750 + 2,00,000 = 32,93,750

Marginal relief = A – B = 9,625

Tax after SC and marginal relief = 32,93,750

HEC @ 4% = 1,31,750

Total = 34,25,500

M25. Compute the tax liability of Mr. Y, a resident of age 65 years, having a total income of Rs. 2,08,00,000.....

Tax on TI = 60,50,000. SC @ 25% = 15,12,500.

A: Tax and SC = 75,62,500

B: Tax+SC on 2 Cr + (TI – 2 Cr) = 66,81,500 + 8,00,000 = 74,81,500

Marginal relief = A – B = 81,000

Tax after SC and marginal relief = 74,81,500

HEC @ 4% = 2,99,260

Total = 77,80,760

M26. Compute the amount of marginal relief from surcharge available to Mr. Q, a resident of age 85.....

STCG from sale of plots of land is not covered u/s 111A or 112A.

Tax on TI = 1,57,00,000. SC @ 37% = 58,09,000.

A: Tax and SC = 2,15,09,000

B: Tax+SC on 5 Cr + (TI – 5 Cr) = 1,85,00,000 + 30,00,000 = 2,15,00,000

Marginal relief = A – B = 9,000

M27. Compute the amount of marginal relief from surcharge available to Mr. T, a resident of age 45.....

Tax on TI = 13,87,500. SC @ 10% = 1,38,750.

A: Tax and SC = 15,26,250

B: Tax+SC on 50 lakh + (TI – 50 lakh) = 13,12,500 + 2,50,000 = 15,62,500

Marginal relief = A – B = Nil

M28. Total income of an artificial juridical person is Rs. 4,10,000 for PY 2021-22. Income-tax, rebate u/s 87A.....

Tax on TI = 8,000. Rebate u/s 87A = Nil as not allowed to AJP. SC = Nil as TI ≤ 50L.

M31. An assessee has total income of Rs. 1,000 for the PY 2021-22. Under which of the following options.....

BEL for co-operative society is 10,000. It is Nil for LLP, firm, company, local authority.

M32. Rate of tax is not 30% for AY 2022-23 in which of the following cases.....

Rate for foreign company is 40% (50% on royalty/FTS in certain cases).

Rate for BCD Ltd. is 30% as total turnover of PY 2019-20 > 400 crore.

M33. Delhi Municipal Corporation, BNP & Co. partnership firm and Vadodara co-operative society are.....

SC is leviable @ 12% for TI > 1 crore.

M34. Which of the following is not true?.....

Rate of SC is based on total income, not on total turnover.

M35. Mr. Y, a resident of age 75 years, won a lottery prize of Rs. 60 lakh on 15.9.2021. He has no other source.....

Tax = 30% of 60 lakh = 18,00,000. SC @ 10% = 1,80,000. HEC @ 4% on Tax+SC = 79,200. Total = 20,59,200

M36. Mr. P, a resident of age 65 years, has total income for AY 2022-23 comprising long term capital gain u/s.....

Tax = 1,20,00,000 (20% of 6 crore) + 1,10,000 (tax on 10 lakh) = 1,21,10,000. SC @ 37% = 44,80,700. Tax + SC = 1,65,90,700. Tax/SC + HEC = 1,72,54,328.

M37. Mr. Q, a resident of age 55 years, has total income for AY 2022-23 comprising short term capital gain.....

Tax = 90,00,000 (15% of 6 crore) + 1,12,500 (tax on 10 lakh) = 91,12,500. SC @ 15% = 13,66,875, as TI > Rs. 2 crore and income, other than u/s 111A, is up to Rs. 2 crore. Tax + SC = 1,04,79,375. Tax/SC + HEC = 1,08,98,550.

M39. Mr. Swindle is found to be the owner of two gold chains of 30 gms each (market value of both.....

Income taxable u/s 69B = Unexplained excess	2,90,000 – 50,000 = 2,40,000
Tax on 2,40,000 @ 60%	1,44,000
Add: SC @ 25%	36,000
	1,80,000
Add: HEC @ 4%	7,200
Tax liability u/s 115BBE	1,87,200