

**EKATVAM ACADEMY**  
**DT TEST PAPER 5 : SALARY**  
**CA/CMA INTER (25 Marks)**

**Question 1 [5 marks]**

Mr. B is a sales manager in PQR Ltd. During FY 2024-25 he has received the following towards his salary and allowances/perquisites;

- (i) Basic pay ₹ 85,000 per month upto December 2024 and thereafter an increase of ₹ 2,000 per month.
- (ii) Dearness allowance 40% of basic pay forming part of retirement benefits.
- (iii) Bonus 1 month basic pay based on the salary drawn during January month every year.
- (iv) He contributes 14% of his basic pay & DA towards his RPF and his employer company contributes the same amount.
- (v) Travelling allowance of ₹ 5,000 per month towards official purpose.
- (vi) Research and training allowance ₹ 3,000 per month.
- (vii) Children education allowance of ₹ 600 per month, per child for his 2 sons and 1 daughter.
- (viii) Accommodation owned by PQR Ltd. was provided to him in Hyderabad for the whole year and furniture of ₹ 2,00,000 was provided from 1.10.2024.
- (ix) Reimbursement of medical expenses on his treatment in private hospital - ₹ 15,000, medical allowance ₹ 1,500 per month. Company has paid premium on medical policy purchased on his health ₹ 12,500.

You are required to:

Compute the income chargeable to tax under the head "Income from Salary", assuming that he does not opt for the provisions u/s 115BAC.

**Question 2 [10 marks]**

Mr. X retired from the services of M/s Y Ltd. on 31.01.2025, after completing service of 30 years and one month. He had joined the company on 1.1.1995 at the age of 30 years and received the following on his retirement:

- (i) Gratuity ₹ 6,00,000. He was covered under the Payment of Gratuity Act, 1972.
- (ii) Leave encashment of ₹ 3,30,000 for 330 days leave balance in his account. He was credited 30 days leave for each completed year of service.
- (iii) As per the scheme of the company, he was offered a car which was purchased on 30.01.2022 by the company for ₹ 5,00,000. Company has recovered ₹ 2,00,000 from him for the car. Company depreciates the vehicles at the rate of 15% on Straight Line Method.
- (iv) An amount of ₹ 3,00,000 as commutation of pension for 2/3 of his pension commutation.
- (v) Company presented him a gift voucher worth ₹ 6,000 on his retirement.
- (vi) His colleagues also gifted him a Television (LCD) worth ₹ 50,000 from their own contribution.

Following are the other particulars:

- (i) He has drawn a basic salary of ₹ 20,000 and 50% dearness allowance per month for the period from 01.04.2024 to 31.01.2025.

- (ii) Received pension of ₹ 5,000 per month for the period 01.02.2025 to 31.03.2025 after commutation of pension.

Compute his GTI from the above for AY 2025-26 assuming he exercises the option of shifting out of the default tax regime provided u/s 115BAC(1A).

**Question 3 [5 marks]**

Raman, an employee of the Gas Supply Ltd., Agra, receives the following emoluments during the PY 2024-25.

Particulars	(₹.)
Basic pay	10,000
Project allowance	1,800
Arrears of project allowance of May, 2020	150
Professional tax paid by the employer	200
Rent free furnished house	
- Fair rent of the house	2,000
- Rent of furniture	500
Free gas supply	400
Service of sweeper	600
Services of gardener	1,000
Service of cook	800
Free lunch	2,400

Free use of chauffeur driven Fiat car which is used partly for official and partly for private purposes.

He is a member of recognised provident fund to which he contributes ₹ 1,500. His employer also contributes an equal amount. He deposits ₹ 600 p.m. in 10 year account under the Post Office Savings Bank (CTD) Rules. Determine his taxable income and tax payable thereon for the AY 2025-26.

- (a) If Raman is a director in the employer company and the rent-free house is owned by it,  
(b) If Raman is neither a director nor a shareholder in employer company & the rent-free house is not owned by it. Assuming assessee has not opted for Sec 115BAC.

**Question 4 [5 marks]**

Jayesh, (40 Years) Posted in Pune, gets salary of ₹ 70,000 per month during 2024-25 from Vlearn Ltd. He contributes ₹ 1,20,000 to the PF. His employer contributes ₹ 1,05,000. His other allowances are project allowance: ₹ 30,000 and medical allowance: ₹ 3,000 and 0.5 % commission on sales achieved by him. During the year, turnover achieved by Jayesh is ₹ 4,80,000. Employer provides a Maruti 800 car with a chauffeur for his private and official purposes. The amount of interest credited to the provident fund on 10.05.2024 @ 12% per annum comes to ₹ 3,49,000. He pays ₹ 4,000 as premium on a LIP taken in 2005 of ₹ 15,000 taken on his own life. He pays tuition fees of ₹ 40,000 for his daughter. Income of Jayesh from other sources is ₹ 3,23,000. Determine the Taxable income and tax liability for Jayesh for the AY 2025-26 on the assumption that PF is

- (a) statutory provident fund (SPF), (b) Recognised provident fund (RPF), or (c) unrecognised provident fund (UPF).

Ignore section 115BAC pertaining to the alternative tax regime.