

**EKATVAM ACADEMY**  
**DT TEST PAPER 10 : Deduction**  
**CA/CMA INTER (25 Marks)**

**Question 1 [7 marks]**

The following are the particulars relating to Mr. A, Mr. B, Mr. C and Mr. D, salaried individuals, for AY 2025-26 –

Particulars	Mr. A	Mr. B	Mr. C	Mr. D
Amt of Loan taken	₹ 43 lakhs	₹ 45 lakhs	₹ 20 lakhs	₹ 15 lakhs
Loan taken from	HFC	Deposit taking NBFC	Deposit taking NBFC	Public sector bank
Date of sanction of loan	1.4.2021	1.4.2020	1.4.2020	30.3.2019
Date of disbursement of loan	1.5.2021	1.5.2020	1.5.2020	1.5.2019
Purpose of loan	Acquisition of residential house property for self-occupation	Acquisition of residential house property for self-occupation	Purchase of electric vehicle for personal use	Purchase of electric vehicle for personal use
Stamp duty value of house property	₹ 45 lakhs	₹ 48 lakhs	-	-
Cost of EV	-	-	₹ 22 lakhs	₹ 18 lakhs
Rate of interest	9% p.a.	9% p.a.	10% p.a.	10% p.a.

Compute the amount of deduction, if any, allowable under the provisions of the Income -tax Act, 1961 for AY 2025-26 in the hands of Mr. A, Mr. B, Mr. C and Mr. D if they have exercised the option of shifting out of the default tax regime provided u/s 115BAC(1A). Assume that there has been no principal repayment in respect of any of the above loans upto 31.3.2025.

**Question 2 [5 marks]**

For the AY 2025-26, the Gross Total Income of Mr. Chaturvedi, a resident in India, was ₹ 8,18,240 which includes LTCG of ₹ 2,45,000 taxable u/s 112 and STCG of ₹ 58,000. The GTI also includes interest income of ₹ 12,000 from savings bank deposits with banks and ₹ 40,000 interest on fixed deposits with banks. Mr. Chaturvedi has invested in PPF ₹ 1,20,000 and also paid a medical insurance premium ₹ 51,000. Mr. Chaturvedi also contributed ₹ 50,000 to Public Charitable Trust eligible for deduction u/s 80G by way of an A/c payee cheque. Compute the total income and tax thereon of Mr. Chaturvedi, who is 70 years old as on 31.3.2025. Ignore 115BAC.

**Question 3 [4 marks]**

The basic salary of Mr. A is ₹ 1,00,000 p.m. He is entitled to DA, which is 40% of basic salary. 50% of DA forms part of pay for retirement benefits. Both Mr. A and his employer contribute 15% of basic salary to the pension scheme referred to in sec 80CCD. Explain the tax treatment in respect of such contribution in the hands of Mr. A if he has exercised the option of shifting out of the default tax regime u/s 115BAC(1A). What would be your answer if Mr. A pays tax under the default tax regime u/s 115BAC.

**Question 4 [5 marks]**

Mr. A has commenced the business of manufacture of computers on 1.4.2023. He employed 350 new employees during the PY 2024-25, the details of whom are as follows

	No. of employees	Date of employment	Regular/ Casual	Total monthly emoluments per employee (₹)
(i)	75	1.4.2024	Regular	24,000
(ii)	125	1.5. 2024	Regular	26,000
(iii)	50	1.8. 2024	Casual	24,500
(iv)	100	1.9. 2024	Regular	24,000

The regular employees participate in recognized provident fund while the casual employees do not. Compute the deduction, if any, available to Mr. A for AY 2025- 26, if the profits and gains derived from manufacture of computers that year is ₹ 75 lakhs and his total turnover is ₹ 10.16 crores.

What would be your answer if Mr. A has commenced the business of manufacture of footwear on 1.4.2024?

**Question 5 [4 Marks]**

Mr. Z, aged 40 years, paid medical insurance premium of ₹ 20,000 during the PY to insure his health as well as the health of his spouse. He also paid medical insurance premium of ₹ 47,000 during the year to insure the health of his father, aged 63 years, who is not dependent on him. He contributed ₹ 3,600 to Central Government Health Scheme during the year. He has incurred ₹ 3,000 in cash on preventive health check-up of himself and his spouse and ₹ 4,000 by cheque on preventive health check-up of his father. Compute the deduction allowable u/s 80D for the AY if Mr. A has exercised the option of shifting out of the default tax regime provided u/s 115BAC(1A).