

30/7/22

# Unit - 5

## Total Income

Total 5 heads income → gross total income

So C to So U deductions

after valuing → net total income

So C → 1. LIC  
 2. PF → URPF, RPF, SPF } 1,50,000  
 3. N.H.D.B

So C C C → Contribution pension fund

So C C D → pension scheme of central Govt

So E → Interest on educational loan.

So D → Medical insurance

So G → Donations

So G G → deduction → payment of house Rent

So T T A → Interest on Savings deposits

So U → In case of deduction person with disabilities.

1. What are the deductions allowed u/s 80 to the assessee's?

Ans Various deductions are allowed in the income tax act 1961 to the assessee's from their gross total income u/s 80. The deductions are as following:

### 1. Sec 80C

Section 80C provides for a deduction from the gross total income, of savings and investments. The maximum deduction is Rs. 1,50,000 u/s 80C. It is available to an individual or HUF.

- a. Life insurance premium
- b. Contribution to RPF, SPF, PPF.
- c. Contribution to ~~unit~~ Ulip linked plan.
- d. Subscription to UTI mutual funds or units.

### 2. Sec 80CCC

Deduction in respect of contribution to pension fund. This deduction is allowed to individuals only upto Rs. 1,50,000.

### 3. Sec 80CCD

Contribution to pension scheme of Central government employees.

### 4. Sec 80CCE

The aggregate amount of deduction u/s 80C, 80CCC, 80CCD shall not in any case exceed Rs. 1,50,000

### 5. Sec 80D

The deduction is allowed to individual or HUF if it is related to medical insurance policy for own or family, mainly for health check up and expenditure incurred for medical expense upto Rs. 25,000

### 6. Sec 80DD

Deduction in respect of medical treatment of handicapped dependent Sec 80D. This deduction is allowed to an individual or HUF upto Rs. 1,25,000.

### 7. Sec 80E

Interest on educational loan. This deduction is allowed to an individual. Assume has taken a loan for the purpose of education for himself, spouse, children etc. Assume has paid interest on such loan during the previous year. Assume has paid interest out of his Taxable Income.

### 8. Sec 80G

Donations to approved funds for charitable institutions. Deductions under this section is available to all assesses. The donation should be made in form of money.

### 9. Sec 80 GG

Deductions in respect of expenditure incurred on payment of house rent. This deduction is allowed to individuals only for rent paid. Anceer should not get any HRA.

### 10. Sec 80 ~~TT~~ TTA

Interest on Savings & deposits. This deduction is allowed to an individual & HUF. post office deposit, bank deposits upto 10,000 P.A.

### 11. Sec 80 U

Deduction in case of a person with disability. This deduction is allowed to ~~an~~ an individual who is a resident of india. Deduction amount is Rs. 75,000 for general disability. for severe disability the deduction is Rs. 1,25,000.

01/8/22

1. Mr. Srinivas is a Senior Citizen from the following particulars for the AY 2022-23.

1. Pension from government Rs. 3,30,000
2. Long Term Capital gain Rs. 50,000
3. Short term Capital gain Rs. 30,000
4. Interest on fixed deposits Rs. 10,000
5. Winning from Lottery (gross) 10,000
6. deposited in NSC VIII Issue 15000
7. deposited in pension scheme under Section 80ccc Rs. 30,000.

Sol. Computation of Total income of Mr. Srinivas from AY 2022-23

particulars	Rs	Amount
<u>I. Income from Salary</u>		
Pension from government		3,30,000
<u>II. Income from Capital gains</u>		
Long term Capital gain	50,000	
short term Capital gain	30,000	80,000
<u>III. Income from other Sources</u>		
Interest on fixed assets	10,000	
Winnings from Lotteries	10,000	20,000
<b>gross Total Income</b>		<b>4,30,000</b>
<u>Less:- Deductions U/s 80</u>		
1. Deposited in NSC U/s 80c	15000	
2. Deposition in pension scheme U/s 80ccc	30,000	45,000
<b>Net Total Income</b>		<b>3,85,000</b>

2. Mr. Raja Submitted to you the following information to the financial year ending 31-mar-2022. Compute the total income for the AY 2022-23.

1. Income from house property (computed)	1,50,000
2. Salary received	1,20,000
3. Business profits	2,80,000
4. Long term Capital gain	80,000
5. Short term Capital <del>gain</del> Loss	60,000
6. Interest on <del>government</del> bank Savings Deposits	28,000
7. Interest on government Securities	2,000
8. Donation to prime ministers relief fund.	50,000

Sol. Computation of total income of Mr. Raja for the AY 2022-23

Particulars	Rs	Amount
<u>I. Income from Salary</u> Salary received		1,20,000
<u>II. Income from house property</u> House property income		1,50,000
<u>III. Income from business/profession</u> Business profit		2,80,000
<u>IV. Income from capital gains</u> Long Term Capital gains	80,000	
Short Term Capital <del>gain</del> Loss	60,000	20,000
<u>V. Income from other Sources</u> Interest on Bank deposits	28,000	
Interest on government securities	2,000	30,000
<b>Gross total Income</b> →		<b>6,00,000</b>
<u>Less: Deduction u/s 80</u> Donations <del>to</del> to PM relief fund		50,000
<b>TOTAL INCOME</b> →		<b>5,50,000</b>

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Rama Rao is working in company at Vishakhapatnam from the following particulars of his income compute his total income for the A.Y 2016-17.

- 1. Income from Salary 42000/-
- 2. Income from house property 23000/-
- 3. Agricultural income x 10,000/-
- 4. profit from business 20,000/-
- 5. Income from association of persons 7000/-
- 6. Long term Capital Loss 14000/-
- 7. Short term Capital gain 17000/-
- 8. Dividend from co-operative society x 6000/-
- 9. Medical insurance premium paid on Wife's Name 6000/-
- 10. Interest on state bank fixed deposits 10,000/-
- 11. Donation to university 40,000/-

Sol:

Computation of Total income of Mr. Rama Rao for AY 2016-17

Particulars	A	Amount
<u>I. Income from Salary</u> Salary received		42,000
<u>II. Income from house property</u> house property income		23,000
<u>III. Income from business / professional</u> profit from business	20,000	<del>20,000</del> Sol
Income from AOP	7000	27,000
<u>IV. Income from Capital gains</u> short term capital profit	17,000	
Long term capital loss	14,000	3,000

v. Income from other Sources

Interest on state bank Fixed deposits	<del>10,000</del>	10,000
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gross total income →		1,05,000
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Less! Deductions u/s 80

Donation to university u/s 80G	40,000	<del>40,000</del>
medical insurance premium paid on wife's Name u/s 80D	6,000	46,000

Net Total Income →		59,000
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4. From the following particulars calculate Total income of Mr. Ramana for year ended 31-3-2022

- |  |          |
|--|----------|
| 1. Loss from self occupied House property  | 62,000   |
| 2. Income from Letout house property       | 80,000   |
| 3. profit from agency business             | 1,40,000 |
| 4. Loss from restaurant business           | 1,54,000 |
| 5. Long term Capital gain                  | 46,000   |
| 6. short term Capital <del>gain</del> loss | 25,000   |
| 7. Winning from Lotteries                  | 18,000   |
| 8. Loss from card games x                  | 15,000   |
| 9. Loss from horse race x                  | 5,000    |
| 10. short term Capital gain                | 22,000   |

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3/8  
 Computation of total income of Rama Rao for A.Y 2022-2023

Particulars	Rs	Amount
<u>II. Income from house property</u>		
Income from let out house property	80,000	
<u>Less</u> : Loss from Self occupied	62,000	18,000
<u>III. Income from business/ profession</u>		
profit from agency business	1,40,000	
<u>Less</u> : Loss from restaurant business	1,54,000	-14,000
<u>IV. Income from capital gains</u>		
Long Term Capital gains	46,000	
Short Term Capital gains	22,000	68,000
Short Term Capital Loss	-25,000	43,000
<u>V. Income from other sources</u>		
Winning from Lotteries		18,000
Gross Total income		65,000
<u>Less</u> : Deductions u/s 80 NIL		
Net Total Income		65,000

Note: Loss from card games, horse races cannot be set on any incomes

3/8/22

# Important Questions List

10 Marks

## unit - I

1. Define agricultural income explain its conditions?
2. Explain the residential status of an individual?
3. What are the exempted incomes U/s 10?
4. Define the term income explain the salient features of income?

## unit - II

1. what is meant by allowance? explain different types of allowances?
2. what is perquisite? explain its kinds & types?
3. what is provident fund explain its types?
4. what are the deductions allowed U/s 80C?

## unit - III

1. what are the deductions allowed U/s 24 while calculating income from House property?

## unit - IV

1. what is Capital gains and explain its types?
2. what are the incomes under the head of income from other sources?

## unit - V

1. what are the deductions allowed U/s 80

5. marks

Unit - I

1. Direct and indirect Tax (types of Taxes)?
2. Definitions
  - a. Income
  - b. person
  - c. previous year & assessment year
  - d. gross total income
3. Non-agricultural incomes?

Unit - II

1. What is meant by House rent allowance (HRA)?
2. What is profits in lieu of Salary?
3. Allowances & types?
4. perquisites?

Unit - III

1. What are the deductions allowed u/s 24?
2. What is annual value?
3. What are admissible & inadmissible Exp?

Unit - IV

1. Capital gains and types.
2. What is cost of inflation index?
3. Explain income from other sources (Any 10 points)