



DEEPAK GUPTA CLASSES

98104 88450, 9899221902

TEST SERIES 1- HOUSE PROPERTY

Q1. Mr. X is the owner of the two houses which he uses for residential purposes. He submits the following information in respect of these houses.

	I	II
Municipal Value	4,000	10,000
Fair rent	5,000	12,000
Municipal taxes paid	500	1,500
Fire insurance premium	100	200
Interest on loan taken for construction	3,000	15,000

His other incomes are Rs.15,000. Advise Mr. X as to which house he should opt for self occupied concession.

Q2. Mrs. 'X' a salaries employee (drawing Rs. 3,60,000 p.a. on salary) has occupied 2 houses for residential purposes. Particulars are :

10 Marks

	I (Rs.)	II (Rs.)
Standard Rent	33,000	60,000
Municipal Valuation	32,000	55,000
Fair Rent	40,000	58,000
Municipal Taxes paid	3000	6000
Ground rent outstanding	200	300



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She borrowed Rs. 40,000 @ 12% per annum for construction of House No: II. Date of borrowing 1 June 1998, Loan was repaid on 30 June 2008.

Construction of both houses was completed on September 2000. Calculate Taxable Income and Tax liability of Mrs. X assuming, she contributes Rs. 20,000 towards Statutory Provident Fund and Rs. 4,000 towards P.M. National Relief Fund.

Q3. Mr. 'X' is the owner of a house kept for self-residence. The particulars of the house are:

	(Rs.)
Standard rent	55,000
Municipal Value	60,000
Fair rent	58,000
Repairs	6,000
Ground rent due	300
Insurance premium due	300

'X' borrowed Rs.20,000 @ 12% p.a. for construction of the house (date of borrowing 1-6-99, date of repayment of loan 31-12-2008, Date of completion 31-5-2006).

Compute the Income from house property.

Q4. What is the maximum amount of loss allowed under the head "Income from House property"?