**Taxation- Direct and Indirect**

**June 2023**

**Q1. Mr. X sold a residential house property in June 2022 for a sale consideration of ₹75,00,000. The property was purchased by him in May 2010 for ₹35,00,000. He incurred ₹1,50,000 on stamp duty, registration and legal expenses related to the sale. Compute the long-term capital gains, tax liability and the amount of investment to be made in specified bonds to claim exemption under Section 54EC of the Income Tax Act, 1961.**

**Answer:**

**Introduction:**

A residential dwelling property that Mr. X had purchased in May 2010 for the price of 35,000 and then sold in June 2022 to a buyer for the price of 75,000,000 was purchased by another individual. The original purchaser of the property was Mr. X. He forked over an extra 1, 50,000 yen to cover the stamp duty, legal fees, and registration fees linked with the sale. All of these costs were related to the It is only half solved

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**Q2. "How do Double Taxation Avoidance Agreements (DTAAs) work in international taxation and what are the key provisions of such agreements? Critically evaluate the effectiveness of DTAAs in eliminating double taxation and promoting cross-border investments."**

**Introduction:**

A Double Taxation Avoidance Agreement, more commonly referred to as a DTAA, is a bilateral agreement formed between two nations to avoid the double taxation of income received by individuals and organizations due to their participation in international transactions. This type of agreement is commonly known as a DTAA. These agreements attempt to provide relief from paying taxes twice on the same income in the home nation and the foreign country where the income is produced. Specifically, the goal is to alleviate the burden of paying taxes twice on the same income in both countries. More specifically, the objective is to lessen the hardship of being required to pay taxes not

**Q3. A) Mr. X owns a house property in Mumbai. The details of the property are as follows: (5 Marks)**

**The property is let out for residential purposes.**

**The annual rent received from the property is ₹3,00,000.**

**Municipal taxes paid during the year amounted to ₹20,000.**

**The interest on loan taken for the property was ₹1,80,000.**

**Compute the income from house property for Mr. X for the Assessment Year 2022-23.**

**Q3. B) Mr. A, a resident individual, gifted a residential house property to his wife, Mrs. B, who is also a resident individual. The property generates an annual rent of ₹6,00,000. Mr. A has no other income, while Mrs. B has an income from her profession of ₹5,00,000. Compute the total taxable income of Mr. A and Mrs. B for the Assessment Year 2022-23, considering the clubbing provisions of income.**

**Answer 3a**

**Introduction**

The owner of a house in Bombay that is rented out for residential use is Mr. X. According to the Income Tax Act of 1961, income derived from real estate is subject to taxation under the heading "Income from Real Estate." Several factors, including the Gross Annual Value (GAV), Net Annual Value (NAV), and deductions, are taken into account to calculate the taxable income. In this instance, we must determine Mr