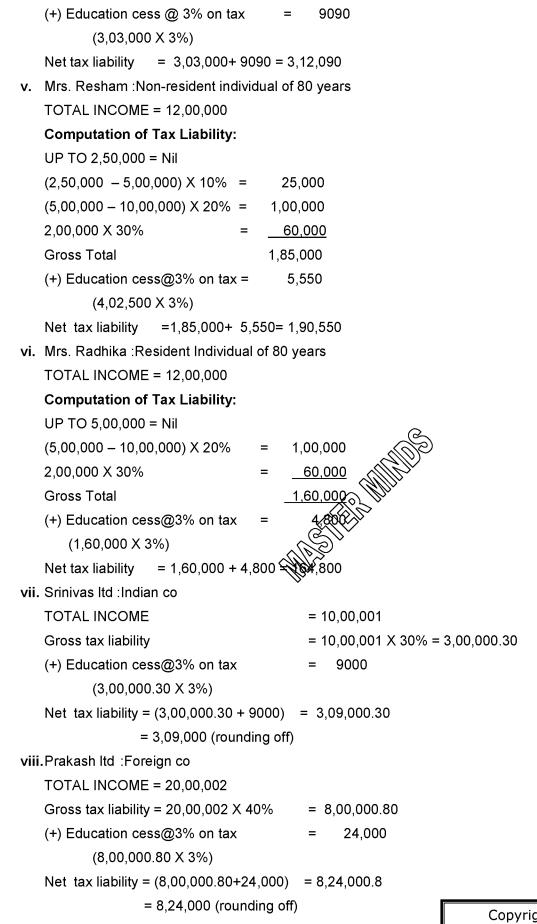
MASTER MINDS

O. INTRODUCTION TO TAX

PROBLEM NO: 1

i.	MR. MOHAN : Resident(Individua	al) o	f 40 voors		
1.	TOTAL INCOME = 12,80,000	ai) 0	1 40 years		
	Computation of Tax liability:				
	UP TO 2,50,000 = Nil				
	(2,50,000 – 5,00,000) X 10%	_	25,000		
			25,000		
	(5,00,000 – 10,00,000) X 20%		1,00,000		
	2,80,000 X 30%	=	<u>84,000</u>		
	Gross Total	- 60	2,09,000		
	(+) Education cess @ 3% on tax =	= 62	70		
	(2,09,000 X 3%)		0 45 070		
	Net tax liability $= 2,09,000 + 62$				
ii.	Mrs. Swathi : Non-resident Individ	lual	of 52 years		
	TOTAL INCOME = 19,25,000				
	Computation of Tax Liability:			B	
	UP TO 2,50,000 = Nil			- Allen	
	(2,50,000 – 5,00,000) X 10%	=	25,000	Alle	
	(5,00,000 – 10,00,000) X 20%	=	1,00,000		
	9,25,000 X 30%	=	2,77,500	/	
	Gross Total		4,02,500		
	(+)Education cess@3% on tax =		12,055		
	(4,02,500 X 3%)				
	Net tax liability $= 4,02,500 + 1$				
iii.	Mr. Bansal :Resident Individual of	f 75	years		
	TOTAL INCOME = 10,28,000				
	Computation of Tax Liability:				
	UP TO 3,00,000 = Nil				
	(3,00,000 – 5,00,000) X 10%	=	20,000		
	(5,00,000 – 10,00,000) X 20%	=	1,00,000		
	28,000 X 30%	=	8,400		
	Gross Total		1,28,400		Copyrights Reserved To MASTER MINDS , Guntur
	(+) Education cess @ 3% on tax	=	3,852		
	(1,28,400 X 3 ⁰	%)			
	Net tax liability = $1,28,400 + 3$,852	2 = 1,32,252		
iv.	M/s Vasavi firm				
	TOTAL INCOME = 10,10,000				
	Gross tax liability = 10,10,000 X 3	0%	= 3,03,000		

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		PROBLEM NO: 2
Total income of Mr. X	=	10,02,00,000
Tax rate = slab rates		
Surcharge = 15%		
Tax on total income:		
Up to 2,50,000	=	NIL
(2,50,000 – 5,00,000) X 10%	=	25,000
(5,00,000 – 10,00,000) X 20%	=	1,00,000
9,92,00,000 X 30%	=	<u>2,97,60,000</u>
Total	=	2,98,85,000
Surcharge = 2,98,85,000 X 15%	=	44,82,750
Add	=	3 <u>,43,67,750</u>
Education Cess @ 3%	=	10,31,033
Tax Liability	=	3,53,98,783

THE END

