UDHNA COLLEGE

SYBCOM SEM-III

ADVANCED ACCOUNTING AND AUDITING-II

(ACCOUNTANCY AND TAXATION)

UNIT 3 DIRECT TAX-CAPITAL GAIN EXERCISE

Q1) Which will be capital assets from the followings and which will not? (VNSGU March April-2018)

1. Patner's share in a firm
2. Goodwill of the business
3. Route Permit
4. Personal Motor Car
5. Furniture
6. Personal Jewellery

Q2) State, giving reason, whether the asset is short-term or long-term in the cases given below –

(a) R holds 1000 shares in G Ltd., a listed company, which goes into liquidation on 31.10.2025. R purchased these shares on 31.1.2025. The company made the payment to R on 31.3.2026.

(b) R got a diamond ring by way of gift from his uncle on 1.1.2025. This ring was purchased by his uncle on 30.12.2023. R sold this ring on 31.12.2025.

(c) R acquires 1000 shares in G Ltd., a listed company, on 28.2.2025. He surrenders these shares to the company on 31.8.2025 in pursuance of scheme of amalgamation. He is allotted 500 shares in S Ltd., a listed company, the amalgamated company in lieu of such shares surrendered. R sells these shares on 31.3.2026.

(d) R acquires 1000 shares in G Ltd., a listed company, on 29.3.2025. He is allotted 500 shares of a resulting company S Ltd., a listed company, in the scheme of demerger on 1.4.2025. He transfers these shares on 29.3.2026.

(e) R sold the Electronic Gold Receipt (EGR) listed on BSE on 15.3.2026. Such EGR was issued to R by the approved vault manager in respect of gold deposited on 5.5.2025. R had purchased such gold on 4.11.2023.

Q3)

Shital sold following assets during the year ending 31 st March 2026

Particulars	**Date of Acquisition**	**Cost Amount**	**Transfer Charges**	**Date of sale**	**Sale Price**
Residential house	10/7/1997	200000	33750	10/8/2025	4718750
X ltd. Shares	1/8/2011	152168	1800	1/10/2025	280712
Y ltd. Shares	1/12/2000	200000	1500	1/10/2025	617500
Jewellery	1/10/2004	750000	3000	21/9/2025	2481855
Debentures	10/7/2004	200000	2000	2/2/2026	242000
Motor car (Personal)	15/10/2011	310000		12/12/2026	275000
New flat	30/12/2025	1000000			

Other information:

1. She had incurred Rs. 240000 in year 2014-15 for additional construction in the house

2. The FMV of assets on 1/4/01 were as under:

Residential house Rs.1400000

Jewellery Rs.935075

Y ltd. Shares Rs.160000

3. She has purchased a new flat immediately after she sold the residential house.

4. STT has been paid on sale of X Ltd. Shares

5. No STT has been paid on sale of Y LTD. Shares

Calculate capital gain for A.Y.2026-27.

Q4) **Find out taxable capital gain of Shri. Ajit bhai for the A.Y. 2026-27**

Particulars	**Date of Acquisition**	**Cost Amount**	**Transfer Charges**	**Date of sale**	**Sale Price**
Residential house in rural area	11/11/1997	600000	37750	1/3/2026	5762250
Personal Gold	1/10/2004	1130000	3000	21/9/2025	2431000

Personal Computer	15/10/2011	62000		21/12/2025	65000
Shares(unquoted)	1/3/2012	184000	4500	31/12/2025	453500
Resdential flat in urban area	30/8/2023	4000000	30250	1/2/2026	4530250

FMV of rural residential house was Rs.1400000 on 1/4/01. From the sales proceeds of this house Rs.1100000 invested in new residential house on 2/03/2026.

Q5) R Ltd. which owns an industrial undertaking manufacturing chemicals in Delhi owns the following assets:

(i) Plant and Machinery	WDV as on 1.4.2024 21,00,000
(ii) Building	WDV as on 1.4.2024 ₹12,00,000
(iii) Furniture and Fixtures	WDV as on 1.4.2024 ₹50,000
(iv) Industrial land	Cost of acquisition in 1998 was ₹6,00,000 but market value as on 1.4.2001 was ₹10,90,000.

As per the policy of the Government, R Ltd. is shifting the industrial undertaking from Delhi, which is an urban area to rural area. The company sells all the assets which it owns and purchases a new building and plant and machinery in the other area. The sale consideration of the assets sold on 25.7.2024 is as under:

(i) Plant & Machinery 30,00,000

(ii) Building 40,00,000

(iii) Furniture & Fixtures 60,000

(iv) Industrial Land 42,00,000

The new assets acquired during the period 1.4.2025 to 30.9.2025 are as under:

(i) Plant & Machinery 27,00,000
(ii) Buildings 41,60,000

Compute the capital gain chargeable to tax for the assessment year 2026-27.

Q6) R owns a residential house which was purchased by him in 1995 for ₹2,40,000. The fair market value of the house as on 1.4.2001 was 7,00,000. This house is sold by him on 16.7.2025 for a consideration of ₹36,00,000. The brokerage and other expenses on the transfer were 40,000. The due date of furnishing the return of income is 31.7.2026. Compute the exemption available under section 54:

(a) he invests 17,00,000 for purchase of a new house on 14.5.2026.

(b) he purchased a piece of land for construction of a house on 21.10.2025 for ₹14,60.000 and deposited 530000 Capital Gains Accounts Scheme on 15.7.2028 and a further sum of 21,50,000 on 31.7.2027

(c) he invested 17,15,000 on construction of an additional floor at a residential house already owned by him. The investment is made during the period 1.10.2025 to 31.12.2025.

(d) he invested 19,40,000 in Capital Gains Accounts Scheme on 29.7.2026 and 22,00,000 on 1.8.2026. He purchased a house property on 5.8.2026 for ₹19,25,000 by withdrawing this amount from the Scheme. No further investments were made by him.

Q7) G sold a residential house on 28.6.2025 for 32,00,000. He had purchased this house on 1.10.2005 for 5,20,000 and had spent 2,70,000 on improvement of the house during the year 2006-07. He purchased a new house on 21.10.2025 for 17,50,000. Compute the capital gains for the assessment year 2026-27.

Q8) R had purchased certain agricultural land in 2004-05 for ₹8,00,000. The land was being used for agricultural purposes by him. This land is sold by him on 2.7.2025 for 38,00,000. He has spent ₹15,70,000 for acquiring an urban agricultural land on 21.10.2025 and has deposited 26,00,000 under the Capital Gains Accounts Scheme on 15.4.2026. Compute the taxable capital gains for the assessment year 2026-27.

Q9) R acquired land from G Ltd., on 15.12.2008 for 28,00,000 which was sold on 15.5.2025 for ₹24,50,000, Expenses of transfer were ₹40,000. He invests ₹13,00,000 in the bonds of Rural Electrification Corporation Ltd. on 16.10.2025.

Compute the capital gain for the assessment year 2026-27.

Q10) X, a resident in India purchased a piece of land on 4.1.1978 for ₹50,000. This land was sold by him on 2.7.2025 for ₹75,00,000. The market value of the land as on 1.4.2001 was ₹5,00,000. Expenses on transfer were 50,000. Compute the capital gain for the assessment year 2026-27. CII of the previous year 2025-26 is 376.

Q11) E purchased a house on 28.6.2005 for ₹4,10,000 and paid ₹10,000 for getting the property registered in his name. On 15.6.2012, he spent 1,80,000 on improvement of the house. The house was sold on 21.7.2025 for 75,00,000 Commission of ₹45,000 was paid on the sale of the house. Compute the capital gains. CII of the previous year 2025-26 is: 376, CII for the previous year 2005-06 was 117 and for the previous year 2012-13 was 200.

Q12) X ltd. A manufacturing company, purchases a factory building on May 6, 2001 for Rs.20 lakh (prior to this the company used the same building as a tenant for about 5 years). The building is compulsory acquired by the government on April 20, 2025 for which a sum of Rs.60 lakh is paid as compensation on March 14,2026. Compute the amount of capital gains chargeable to tax for the A.Y. 2026-27 taking into consideration the following information:

1) On April 1, 2025, the company owns two buildings (rate of depreciation is 10%) one of which is acquired by the government during 2025. The depreciated value of the block on April 1, 2025 is Rs.21.35 lakh.

2) The company purchases a factory building on April 6, 2025 for Rs. 15 lakh.