

UDHNA COLLEGE

SYBCOM SEM-IV

Advanced Accounting and Auditing-IV(Taxation)

Computation of Income under the head 'House Property'

Q1) R owns 6 houses in Delhi, details of which are given below:

Particulars	I	II	III	IV	V	VI
Municipal value	200000	240000	360000	420000	480000	450000
Fair rental value	240000	300000	400000	420000	500000	500000
Standard rent	NA	240000	500000	300000	NA	480000
Actual rent	180000	360000	480000	360000	540000	420000

Compute the gross annual value of the above houses.

Q2) X owns three houses in Delhi, particulars of which are as under:

Particulars	House 1	House 2	House3
No. of units	2	1	3
Municipal value	120000	72000	60000
Fair rental value	150000	75000	75000
Standard rent	130000	80000	72000
Rent per unit per annum	70000	84000	21000
Municipal taxes	12000(due but not paid)	8000 for last year but paid this year and 9000 of current year due but not paid	60000(it includes 54000 paid as advance for next 9 years)

Compute NAV for A.Y.2025-26

Q3) Municipal value of house is 90000, fair rent 140000, Standard rent 120000. The house property has been let for 12000 p.m. and was vacant for one month

during the previous year 2024-25. Municipal taxes paid during the year were 40000. Compute the NAV for A.Y. 2025-26

Q4) Ramesh let out his house on 1.4.2024 on rent of ₹ 15,000 p.m. The fair rent and the municipal value of the house are ₹ 13,500 p.m. and ₹ 16,000 p.m. respectively. Municipal taxes paid for the year were ₹ 12,000. Compute Income from house property for the AY 2025-26.

Q5) When a house property is let-out throughout the year for a monthly rent of ₹ 22,000 and municipal tax paid for the current year is ₹ 24,000 and for the earlier year paid now is ₹ 16,000 than compute the income from house property.

Q6) X has 3 houses, all of which are self-occupied. The particulars of the house are as under:

Particulars	House1	House2	House3
Municipal Value	60000	90000	72000
Fair Rental value	72000	120000	80000
Standard Rent	nil	100000	Nil
Date of competition	1/1/1997	1/10/1997	1/9/2017
Municipal taxes	6000 Paid during year	9000 Paid during the year	7000 Paid during the year

Suggest which two houses should be opted by X to be assessed as self occupied so that his tax liability is minimum.

Q7) Mr.X owns a house in Delhi, During the previous year 2024-25 ,3/4th portion of the house was self-occupied for full year and 1/4th portion was let out for residential purposes from 1/4/24 to 31/12/24 on a rent of Rs.7000 p.m.

From 1/1/2025 this portion was also used for own residence. Municipal valuation of house is Rs.200000.

He incurred the following expenditure in respect of the house property.

Municipal taxes of Rs. 60000, repairs Rs.20000, fire insurance premium Rs.35000, land revenue Rs.40000, Ground rent Rs.2000 were paid during the year.

A loan of Rs.10,00,000 was taken on 1/4/2020 @ 9% p.a. for the construction of house which was completed on 28/3/21. Nothing was repaid on loan account so far.

Find out his income from house property for A.Y. 2025-26 under sec.115BAC

Q8) Following are the particulars of house property of Sameer for the previous year 2024-25. Compute income from house property u/s 115BAC

Particulars	House A	House B
Construction started on	31/3/1991	10/2/1987
Construction completed on	31/3/1992	1/6/1991
Annual rental value	30000	12000
Municipal valuation	25000	12000
Municipal tax	2500	1200
Interest on money borrowed to renovate building	1200	Nil
Vacancy period	3 months	Nil
Rent collection charges	1000	600

Both the above houses were let out for residential purpose. Municipal taxes of houses are paid by tenants.

Q9) From the following information, find out Gross Annual Value:

Particulars	House1	House2	House3
Use of property	Let out	Let out	Let out
Annual value as per Municipal valuation	252000	126000	126000
Fair Rent	270000	135000	135000
Standard Rent	201600	150000	100800
Annual Rent Received	284000	108000	90000

Q10) From the following information, Determine GAV

Particular	House1	House2	House3
Annual Municipal Value	54000	39000	54000
Annual Fair Rent	65000	48000	72000

Standard Rent	59500	42000	60000
Actual Rent Receivable	75000	36000	72000
Vacancy Period	2 months	4 months	2 months
Rent received for remaining period	62500	24000	60000

Q11) An assessee owns four house properties. The following are the particulars in respect of these properties. Compute taxable income from House property for the A.Y. 2025-26.

Particulars	Property A	Property B	Property C	Property D
Municipal Value	80000	160000	110000	120000
When constructed	1976	1981	1995	1998
Rent p.m.	10000	6000	10000	--
Municipal Tax	8000	16000	15000	100000
Purpose	Let out	½ used for own business & ½ given to manager of the concern	Let out	Self occupied
Ground Rent	2000		3000	
Collection Charges	3000		4000	
Vacancy	2 months		1 month	

Q12) Rohit owns a house property in Delhi which he wants to give on rent. He seeks your help to determine the reasonable expected rent when monthly municipal value is ₹ 20,000, fair rent ₹ 25,000, and standard rent ₹ 22,000.

Q13) R owns three house properties, which are situated in three different cities. All the house meant for self-occupation of the assessee. The particulars of the house properties are properties as under:

Particulars	Property A	Property B	Property C
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Municipal Value	700000	720000	740000
Annual Fair Rent	740000	750000	760000
Standard Rent	730000	760000	750000
Municipal Tax	30000	20000	80000
Interest of loan for house construction	235000	180000	85000
Ground Rent	5000	---	8000
Collection Charges	----	6000	----

Compute the income under the head House Property by making assumption in such a manner that the tax liability of R is minimum.

Q14) R owns three identical houses in Mumbai, all of which are self occupied. From the particulars suggest which house should be treated as self occupied.

Particulars	Property I	Property II	Property III
Municipal Value	300000	300000	300000
Annual Fair Rent	360000	360000	360000
Standard Rent	330000	330000	330000
Municipal Tax(paid)	30000	10000	20000
Insurance premium (paid)	20000	Nil	10000

Construction of all houses was completed in September 2019. R had borrowed

- (i) Rs.2500000 @9% p.a. for construction of House II(Date of borrowing 1/6/2018) repayment of loan 30/6/2023
 - (ii) Rs.3000000 @9% p.a. for construction of House III(Date of borrowing 1/6/2018) Date of repayment of loan 30/6/2023
- Assume R opts to be taxed under new regime.