

Q.No.8 Solution:-

## Computation of Income from House property

Particulars	Amount
Gross Annual Value (G.A.V.) - (See W.N. 1.)	72,000
Less:- Municipal taxes (20% of M.V. (ie) 50,000)	(10,000)
Net Annual Value	62,000
Less:- Standard deduction 4/5 24	
30% of N.A.V. (62,000)	18,600
Interest Paid	18,000
Income from house property	25,400

Working Note: 1.

Calculation of Gross Annual Value (G.A.V.)

- Step-I
- (a) Municipal Value 50,000
  - (b) fair Rent 80,000
- } Consider whichever is Higher
- Step-II - Answer of step I - 80,000
- (c) Standard Rent - 60,000
- } Consider whichever is Lower
- Step-III - Answer of Step-II - 60,000
- (d) Actual Rent Received - 72,000
- } Consider whichever is Higher.
- So Gross Annual Value will be → 72,000

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