(FOR THE CANDIDATES ADMITTED DURING THE ACADEMIC YEAR 2023-24 ONLY)

SUBJECT CODE 23 UEC 514

REG.NO.

N.G.M.COLLEGE (AUTONOMOUS) : POLLACHI
END-OF-SEMESTER EXAMINATIONS : NOVEMBER – 2025

B.Com. -E. Commerce — **MAXIMUM MARKS: 75**

V SEMESTER — **TIME : 3 HOURS**

PART – III
INCOME TAX LAW & PRACTICE

SECTION – A (10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS. (K1)

1. Who is an 'Assessee' under the Income Tax Act?
   (a) A person liable to pay GST
   (b) A person liable to pay income tax or any sum under the Act
   (c) A person who owns agricultural land
   (d) A person exempt from tax
2. Which of the following is NOT taxable under the head "Income from Salary"?
   (a) Basic salary
   (b) House Rent Allowance (HRA)
   (c) Profit from business
   (d) Leave encashment
3. The Income from House Property is taxable on the basis of ………………
   (a) Actual rent received only
   (b) Annual value of the property
   (c) Market value of the property
   (d) Assessee's personal choice.
4. The Capital gains arise from the transfer of which type of assets………………..
   (a) Fixed deposits (b) Capital assets (c) Current assets (d) Savings bank interest.
5. The unabsorbed losses can be carried forward for a maximum of how many years**…………**
   (a) 4 years (b) 8 years (c) 6 years (d) Unlimited.

ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES. (K2)

6. Define 'Assessee'
7. What is 'Gratuity'
8. How is NAV calculated?
9. How are Capital gains classified?
10. What does 'Set off and Carry forward' refer to?.

SECTION – B (5 X 5 = 25 MARKS)

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS. (K3)

11. a). Assess the ' Tax System in india"

(OR)

b). Interpret the "Any Ten Exempted income under section (10)"

12. a). Calculate the Taxable HRA.

Basic Salary	78,000.p.a
DA.(forming part)	7,800.p.a.
HRA	11,700.p.a.
Rent paid in Chennai	13,200.p.a.

(OR)

b). Mr.Sugavanam is in receipt of annual of Rs 20,000.He is provided with a furnished accommodation for which his employer pays a rent of Rs 14,400p.a.The Cost of furnishing the residence amounted to Rs 30,000.Calculate the value of perquisite if the house is occupied for 9 months only.

13. a). Find out the gross annual value from the following details pertaining to a house property which is let out for residence.

Municipal Value	Rs 1,60,000
Fair Rent	Rs 1,61,000
Standard rent Under Rent Control Act	Rs 1,75,000
Actual rent received	Rs 1,90,000

(CONTD …. 2)

(OR)

b) From the following details, Calculate the Net Annual Value for the P.Y.2024-25.

Rent Received	Rs 5,00.p.m.
Municipal Value	Rs 36,000.
Municipal tax @10% of Muicipal Value	.

[Tenant paid 50% of Municipal tax)

Date of Completion of house let 01-06-2024

14. a) Mr. Avtar Singh Purchased a plot in 2002-03 for Rs 3,80,000 and it was sold o 15-01-2025 for Rs 15,80,000.He Paid Rs 20,000 as brokerage charges. He invested Rs 2,00,000 in bonds issued by National Highway Authority of India on 31-03-2025 and Rs 3,10,000 in Bonds issued by Rural Electrification Corporation on 1-6-2025. (Both notified u/s 54EC).

Compute the taxable amount of capital gain if CII for 2002 – 03 is 105 and for 2024-25 is 363 without indexation of cost.

(OR)

b). Mr. Raman Raju inherited a house at Ludhiana from his father Mr.D. Raju on 1-1-2006. [CII = 117]. The house was acquired by Mr.D. Raju in 1989-90 for Rs 60,000 and its FMV as on 1-4-2001 was Rs 5,20,000 and it was sold in 2024-25 on 24-05-2024[CII=363] for Rs 17,80,000.

15. a). Compute the gross total income from particulars given below under:
(A).Old Tax Regime; (B).New Tax Regime.

(i).House Property	Rs
Loss from Self occupied house	(-) 30,000
Income from Let out house	(+)16,000
(ii).Profits and gains	
(a).Business Loss	(-)1,50,000.
(b).Share of Loss from Firm (B/F FROM A/Y 2023-24)	(-)1,00,000.
(iii).Capital Gain	
(a).Short term Capital Loss	(-)2,40,000
(b).Long-Term Capital Gain	(+)4,00,000.

(OR)

b) Show the adjustments of following losses and incomes of an individual for the previous year ending on March'31,2025.

(a). Depreciation B/F from previous year 2016-17	Rs 1,00,000
(b). Depreciation B/F from previous year 2019-20	Rs 1,60,000
(c). Depreciation B/F from previous year 2022-23	Rs 2,00,000
(d).Income under the head 'Profits and Gains'	Rs 1,50,000
(e). Income from other sources	Rs 3,20,000.

SECTION – C (5 X 8 = 40 MARKS)

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.

16. a) Construct provisions relating to scope of total income.

(OR)

b) Following are the incomes of Arulanandam for the Previous year 2024-25.

(i).Profit from the business in Chennai.	Rs 20,000
(ii). Income accrued in India but received in Singapore	Rs 4,000
(iii).Profit from business in USA but received in India.	Rs 5,000
(iv). Income from house Property in Trichy received in Kolkatta	Rs 4,000
(v).Profit from business abroad, Controlled from India.	Rs 15,000
(vi).Income from house property in Srilanka and deposited there.	Rs 2,000
(vii).Past untaxed income brought into India.	Rs 12,000

Compute the total income of Arulanandam for the Assessment year 2025-26 if he is (a).Resident .(b).Not Ordinary Resident ad (c).Non – Resident.

(CONTD …. 3)

17. a) Ms. Sudha, an employee of Tamil Nadu Govt, submits the following information relevant for Previous year 2024-25.
Salary Rs 86,000, Entertainment allowance Rs 8,000.Bonus Rs 10,200, Education Allowance Rs 4,000,(for her grand children).Income tax penalty paid by employer: Rs 2,000,Medical expenses reimbursed by employer: Rs 2,000, Leave travel concession: Rs 1,000, Free residential telephone Rs 4,000,free refreshment during office hours Rs 4,000.Payment of electricity bills by the employer Rs 1,060.Reimbursement of gas bill Rs 1,000.Professional tax paid by employer Rs 300, Professional tax paid by Ms.Sudha: Rs 150.Determine the taxable Salary.

(OR)

b) From the following particulars, find out the taxable salary of Ms.Sona working at Coimbatore (Population more than 25 lakhs). Compute Taxable Salary.
(i) Salary Rs 12,000 p.m.
(ii) D.A.Rs 1,500.p.m.
(iii) Employer's Contribution to employee's recognized provident fund – 14% of basic salary
(iv) Interest on provident fund balance @13%.p.a.Rs 3,900.
(iv) Rent free accommodation (unfurnished) – fair rental value is Rs 80,000 p.a. Expenses on maintenance of garden met by employer Rs 3,000.
(v) A Car (1400 cc) is provided by employer.All expenses are borne by employer. It is used both for performance of duties and private purpose. Car was used by employee for only 11 months during the year.
(vi) She paid Professional tax of Rs 2,000.
(vii) She received Rs 500 p.m. as fixed medical allowance.

18. a) The Particulars of a residential house completed on 31st May,2022 are given below:

	Rs
Rent	800.p.m.
Municipal taxes paid	1,800
Ground rent	50
Insurance	80
Interest on borrowed for Construction of this house	1,000
Collection charges actually paid	300

The Assessee mortgaged the house for Rs 36,000 to meet the expenses of his daughter's marriage and paid an interest of Rs 3,000 of the mortgage loan during the year. This assessee also claimed that he had not realized rents from his tentants for earlier to the extents of Rs 2,000 and he proved his claim to the entire satisfaction of the Assessing officer that the conditions for its admissibility were satisfied. Compute the income under the head House Property of the Assessee for the year.

(OR)

b) Ram Prasad is a registered medical practitioner. He has prepared the following income and expenditure account (on cash basis) for the year ending 31st March 2025.You are required to prepare a statement showing his income from profession.

Income and Expenditure Account (on cash basis)

	Rs		**Rs**
Household expenses	20,000	Consultation fees	10,000
Car Purchased	30,000	Visiting Fees	20,000
Travelling expenses (Personal)	4,000	Gain on Race (Gross)	10,000
Charity & Donations	1,000	Share in sale proceed of an ancestral	
Income tax	2,000	house	34,000
Salaries	8,000	Profit on sale of Securities	6,000
Gift to daughter	7,000	Dividend on unit (Gross)	5,000
Establishment Expenses	1,000	Interest on P.O. Saving Bank	400
Surgical Equipment	4,000	Gift from father -in law	2,000

(CONTD …. 4)

Books	2,000	Bad debts recovered (Not allowed in earlier year)	2,000
Life insurance premium	3,000		
Interest on Capital	1,000	Interest on Fixed deposits	1,300
Surplus	7,900		
	90,900		90,900

Rate of Depreciation allowable on car is 15% and Surgical equipment is at 15%. In case of Books for profession the rate of depreciation is 40%.

19. **a)** Mr. S. Krishna received a gift of a house in Nov. 2007 from Mr. K. Hegde who had purchased it in Nov. 1997 for 6,30,000. Mr. K. Hegde renovated the house in March 1998 at a cost of 2,70,000. Its FMV on 1-4-2001 was 10,00,000. In 1998-99 Mr. K. Hegde had agreed to sell the house and had received ₹ 1,00,000 as advance money. The sale could not materialise and advance money was forfeited. The house was renovated in 2010-11 [C.I.I. = 167] at a cost of 2,00,000. Mr. Krishna sold the house in May further 2024 for 35,60,000 and paid 60,000 as brokerage. Compute his taxable capital gain if CII for 2001-02 was 100, 2007-08 was 129 and for 2024-25 it is 363.

(OR)

b) From the following particulars for the year ended 31st March,2025,Compute the income under the head " Income from other Sources"

	Rs
Dividends	37,200.
Collection Charges in respect of dividend @ 1% of dividend.	
Rent from letting out of a building along with plant and machinery**.**	
Depreciation on building	4,000
Insurance on building	1,000
Office expenses relating to buildings	1,000
Repairs, rates etc.	1,000

20. **a)**. From the particulars given below, Compute the total income under new tax regime for the previous year 2024-25;

(i). Income from Let-out house [Computed]	Rs 6,000.
(ii). Annual Rental Value of his self-occupied house	Rs 4,000.
(iii). Municipal taxes	Rs 400
(iv). Profit from electric goods business after depreciation	Rs,10,000
(v). Profit from agency business	Rs 3,000
(vi). Speculation gain from Gold	Rs 2,000.
(vii). Long-term Capital Gain from Land	Rs 7,000.
(viii). Short-term Capital Gain	Rs 2,000.

Following Losses have been brought forwarded from 2023-24 Previous year.

(i). Loss from electric goods business	Rs 6,000.
(ii). Loss from agency business	Rs 1,000.
(iii). Speculation loss from Silver	Rs 4,000
(iv). Long-term Capital Loss	Rs 4,400
(v). Unabsorbed depreciation	Rs 1,000
(vi). Short-term Capital Loss	Rs 3,000.

(OR)

b) A Chartered Accountant of a Company Computed the income of the Company for the assessment year 2025-26 Rs 50,000 without taking into account the following items:

(i).Carried forward depreciation	Rs 18,000
(ii).Depreciation for the current year	Rs 15,000
(iii).Capital Expenditure on research for the current year	Rs 10,000
(iv).C/F Unabsorbed business Loss relating to previous year	Rs 2,000
(v).C/F Unabsorbed business Loss relating to previous year	Rs 5,000.
(vi).C/F Unabsorbed business Loss relating to Previous year	Rs 10,000
(vii).Other Income	Rs 3,000.

Compute the total income of the company for the assessment year 2025-26 after making necessary adjustment of Losses and the amount of Losses to be carried forward, if any

ETHICAL PAPER

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