

(FOR THE CANDIDATES ADMITTED

23UBP409

DURING THE ACADEMIC YEAR 2023 ONWARDS)

REG.NO. :

N.G.M.COLLEGE (AUTONOMOUS): POLLACHI

END-OF-SEMESTER EXAMINATIONS: MAY 2025

B.COM (BPS) SF

MAXIMUM MARKS: 75

SEMESTER: IV

TIME: 3 HOURS

**PART - III**

**23UBP409 – INCOME TAX**

**SECTION – A**

**(10 X 1 = 10 MARKS)**

**ANSWER THE FOLLOWING QUESTIONS.**

**(K1)**

1. The term previous year is \_\_\_\_\_.

a) Financial year

b) Calendar year

c) Financial year before the Assessment year

d) Accounting year

2. Salary of an MP will be taxable under the head \_\_\_\_\_.

a) Salaries

b) Profit from business

c) Profit from profession

d) Income from other sources

3. Standard deduction u/s 24 for house property is \_\_\_\_\_ of NAV under old tax regime.

a) 20%

b) 30%

c) 40%

d) 10%

4. The exemption for purchase of new agricultural land within 2 years from date of sale of agricultural land is \_\_\_\_\_.

a) u/s 54

b) u/s 54B

c) u/s 54EC

d) u/s 54F

5. Deduction u/s 80 D is in respect of \_\_\_\_\_.

a) Pension fund contribution

c) Medical insurance premium

b) LIC Premium

d) Repayment of educational loan

**ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES**

**(K2)**

6. Define the term Person.

7. What is the limit of House rent allowance exemption?

8. How do you calculate Professional income?

9. Define Long term capital asset.

10. What for deduction is allowed u/s 80U?

**SECTION – B****(5 X 5 = 25 MARKS)****ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS. (K3)**

11. a) Describe the terms Previous year and Assessment year under Income Tax Act.

**(OR)**

b) Mr. X, an engineer, left India for London on 15<sup>th</sup> March 2023 for taking practical training in an engineering firm there. He returned to India on 28<sup>th</sup> March 2024. He was never out of India in the past. Examine the residential status of Mr. X for the Assessment year 2024 – 2025.

12. a) Calculate Gross salary from information given below:

Salary – Rs. 25000 p. m.                      Advance salary for 2 months – Rs. 55000

D.A. – Rs. 5000 p.m. (Rs. 2500 p.m. enters into pay for service benefits)

Employer's contribution to R.P.F. – Rs. 3500 p.m. **(OR)**

- b) Calculate Gross salary under old tax regime from information given below:

Salary – Rs. 30000 p.m.    D.A. – Rs. 6000 p.m.            C.C.A. – Rs. 1000 p.m.

House Rent Allowance – Rs. 8000 p.m.

Commission on turnover achieved by him – Rs. 40000

Living in rented house at Delhi as D.A. enters into service benefits and rent paid Rs. 7000 p.m

13. a) List and explain the deductions of House property under the Income Tax Act.

**(OR)**

- b) The following is the P & L account of K. Mallaya for the PY 2023 - 24

**Profit & Loss Account**

<b>Particulars</b>	<b>Amount Rs.</b>	<b>Particulars</b>	<b>Amount</b>
To Salary	25650	By Gross Profit	82000
To Rent	2700	By Bank interest	450
To Income tax	2600	By Rent of House Property	4800
To Municipal tax (House Property)	625	By Interest on securities	2000
To Office expenses	9630		
To Repairs to house	1625		
To Depreciation	5000		
To LIC Premium	1320		
To Net profit	40100		
	<b>89250</b>		<b>89250</b>

Calculate the taxable profit from business. The amount of Depreciation is Rs. 4500.

14. a) Calculate & find out the capital gain in the following cases:

- i) WDV of Office furniture as on 1-4-2023 Rs. 18,000  
(Which was purchased on 15-09-2008 for Rs. 20,000 and sold on 1-9-2023 (CII = 348) for Rs. 26,000)
- ii) Bonds purchased on 1-11-2006 (CII = 122) for Rs. 2,60,000 were sold on 1-1-2024 (CII = 348) for Rs. 4,00,000

**(OR)**

b) Calculate income from other sources from the information given below:

- i) Winnings from lotteries Rs. 100000
- ii) Amount received from race winnings Rs. 35000
- iii) Received Rs. 20000 as gift from his friend
- iv) Received Rs. 80000 as gift from NRI friend
- v) Dividend from A Ltd Rs. 18000

15. a) List and explain Deductions u/s 80C.

**(OR)**

b) Show how to determine tax liability under old tax regime.

### SECTION – C

**(5 X 8 = 40 MARKS)**

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

**(K4 (Or) K5)**

16. a) Discuss how residential status of an individual can be determined.

**(OR)**

b) The following are the details of income of Mr. Ramkumar:

- i) Share of income from a business in India Rs. 10,000.
- ii) Dividend from an Indian company Rs. 1,000.
- iii) Income from Agriculture in Pakistan Rs. 20,000.
- iv) Salary received in India Rs. 9800 but services rendered in Iran.
- v) Income from business in Pakistan (Controlled from India) Rs. 10,000.
- vi) Income earned and received in America from bank deposits Rs. 5,000.
- vii) Income accrued in India but received in Iran Rs. 10,000.

Interpret the taxable income of Mr. Ramkumar if he is i) a resident ii) a not ordinary resident and iii) a Non resident

17. a) Interpret & find out the Gross Salary of Shri Arvind under old tax regime for the Previous year ending 31-3-24

- i) Salary Rs. 32000 per month
- ii) Employer and employee contribution towards RPF is Rs. 4000 per month

iii) Dearness allowance Rs.5000 p.m. It is not considered for computation of his retirement benefits

iv) Interest credited to P.F. @13% is Rs. 13000

v) Bonus Rs. 30000

vi) His ration bill of Rs. 2000 p.m. is paid by employer.

(OR)

b) Summarize the types of Perquisites in Salary.

18. a) Interpret the Income from house property from the information given below:

Municipal Rental Value Rs. 18000

Rent received during the year Rs. 24000

Municipal taxes (50% paid by tenant) Rs. 1800 p.a.

Date of completion of the house 1-6-1998.

(OR)

b) Ramakrishna is a Chartered Accountant in Bangalore. He has submitted the following Income and Expenditure account for the year 2023 – 24. Interpret his income from Profession for the Assessment year 2024 – 25.

Particulars	Amount Rs.	Particulars	Amount
Office Rent	33000	Audit fees	300000
Salary to staff	75000	Financial consultancy service	60000
Charities	11000	Interest on bank deposit	22000
Subscription for Journals	2400	Dividends from UTI	6000
Drawings	16000	Accountancy works	32000
Car expenses	24000		
Household expenses	8600		
NSC purchased	20000		
Net income	230000		
	<b>420000</b>		<b>420000</b>

**Additional Information:**

- Office rent Rs. 3000 though paid is not recorded.
- Depreciation of car during the year is Rs. 6000
- 30% of car expenses and depreciation are related to personal purposes.

19. a) Discuss the exemptions u/s 54 under capital gains.

(OR)

(CONTD ....5)

b) Interpret the Income from other sources for the AY 2024 – 2025

i) Card game loss Rs. 12000

ii) From the activity of owning and maintaining horses for race purposes

(a) Loss at Bombay Rs. 40000

(b) Profit at Bangalore Rs. 20000

iii) Dividend (Gross) from Indian companies Rs. 6000

iv) Betting in horse races Rs.4000

20. a) Outline the provisions for set off and carry forward of losses. Explain with example.

(OR)

b) Interpret the total income of Mr. Dinesh for the Assessment year 2024 -25 from the following particulars.

Loss from house property	Rs.-10000
Short term capital gain on sale of shares	Rs.105000
Long term capital loss on sale of bond	Rs. – 85000
Income on Government securities	Rs.10000

The assessee has unabsorbed depreciation of Rs. 25000 being brought forward from 2016 – 17. Assessee had closed the business and all the assets have been disposed of.

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**Ethical paper**