

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION DECEMBER 2024
(Third Semester)

Branch – **COMMERCE (COMPUTER APPLICATIONS)**

INCOME TAX LAW & PRACTICE

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer **ALL** questions

ALL questions carry **EQUAL** marks

(10 × 1 = 10)

Module No.	Question No.	Question	K Level	CO
1	1	When was Income tax levied in India for the first time ? (a) 1860 (b) 1886 (c) 1960 (d) 1961	K1	CO1
	2	Show who is the executor of the deceased's estate (a) Ordinarily assessee (b) Deemed assessee (c) Assessee – in –default (d) Representative assessee	K2	CO1
2	3	When lump sum amount withdrawn from URPF employees contribution is (a) Not Taxable (b) Fully Taxable (c) Eligible for deduction u/s80C (d) Partly Taxable	K1	CO2
	4	Compare the rent a similar property would command in a similar location (a)Municipal Value (b) Actual rental Value (c) Fair Rental Value (d)Standard Value	K2	CO2
3	5	Which of the following expenditure is not allowed as deduction while computing business income? (a) Donation (b) Rent (c) Entertainment (d) Salary	K1	CO3
	6	Outline the long-term capital assets, except that financial assets are held for a period of more than (a)12 Months (b)24Months (c)36Months (d)48Months	K2	CO3
4	7	Which of the following is not taxable? (a) Gift on Marriage (b) Gift on birthday (c) Gift on Anniversary (d) Gift from Working Place	K1	CO4
	8	Interpret the loss from speculation business as a deduction from income (a) Speculative Business (b) Business (c) Non Speculative Business (d) Casual Income	K2	CO4
5	9	Which of the following donation is eligible at 100 % for donation u/s80G? a) P.M 's Drought Relief Fund b) Indira Gandhi Memorial Fund c) Rajiv Gandhi Foundation d) National Cultural Fund	K1	CO5
	10	Relate the payment of tuition fees is eligible for deduction u/s 80C (a) Only one child (b) Two Children (c) Three Children (d) Any Number of children	K2	CO5

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SECTION - B (35 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks

(5 × 7 = 35)

Module No.	Question No.	Question	K Level	CO																												
1	11.a.	Mr. X ,an Indian citizen had been staying in Spain during 2001 – 2010, and in Germany from 01.04.2019 to 31.03.2023 .On 01.04.2023 he came to India and has been staying here ever since. Show his residential status for the previous year 2023-2024.	K2	CO1																												
	(OR)																															
	11.b.	Illustrate agricultural Income.																														
2	12.a.	Mr. Ashok a resident of Agra receivesRs48,000p.m as basic salary during the previous year 2023-24.In addition he gets Rs4,800p.m as D.A forming part of salary, 7% commission on sales made by him (sales values Rs86,000)and Rs6,000p.m as H.R.A . He however pays Rs5,800p.m as house rent. Identify the amount of H.R.A that is exempt from tax.	K3	CO2																												
	(OR)																															
	12.b.	Mr. X has got a house. The particulars for the previous year 2023-24 are given below. Fair Rent Rs90,000 Standard Rent Rs70,000 Municipal Rent Rs80,000 Annual Rent Rs96,000 Vacancy period 2 Months Identify the Gross Annual Value																														
3	13.a.	Utilize the following P/L account of Mr.X and Compute his taxable income from business for the P.Y 2023 – 24.	K3	CO3																												
		<table><tr><td>Particulars</td><td>Rs</td><td>Particulars</td><td>Rs</td></tr><tr><td>To Salary to Staff</td><td>48,000</td><td>By Gross Profit</td><td>75,000</td></tr><tr><td>To Donation</td><td>6,000</td><td>By Income from HP</td><td>15,000</td></tr><tr><td>To Electricity</td><td>5,000</td><td>By Dividend from Investment</td><td>5,000</td></tr><tr><td>To Provision for Bad Debts</td><td>3,000</td><td></td><td></td></tr><tr><td>To Net Profit</td><td>33,000</td><td></td><td></td></tr><tr><td></td><td>95,000</td><td></td><td>95,000</td></tr></table>			Particulars	Rs	Particulars	Rs	To Salary to Staff	48,000	By Gross Profit	75,000	To Donation	6,000	By Income from HP	15,000	To Electricity	5,000	By Dividend from Investment	5,000	To Provision for Bad Debts	3,000			To Net Profit	33,000				95,000		95,000
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13.b.	Identify the various assets that are not included in capital assets.																															
4	14.a.	MN Ltd has the following during the year ending 31.03.2024 a) Dividend declared MN Ltd on 31.03.2023 Rs6,000 b) Dividend declared by Zen Ltd on 31.03.2024 Rs9,000. c) Interim dividend received on 01.05.2023 Rs3,000. d)He owns gold worth Rs10,00,000 from Punjab state lottery. e) During March 2024 he earned Rs1,00,000 as prize money in horse races. Three horses are owned by him and expenditure incurred on maintenance of these horses amounted to Rs1,60,000. List out the income from other sources for the assessment year 2024-25.	K4	CO4																												

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5	14.b.	(OR)	K4	CO4
		From the following particulars of Mr. Maran categorize his gross total income for the previous year 2023-24.		
		(i)Income from salary		
		Rs58,000		
		(ii)Income from House Property		
		Rs12,000		
		(iii)Loss from business		
		Rs80,000		
		(iv)Income from Speculative Business		
		Rs25,000		
		(v)Long term capital gain		
		Rs17,500		
		Brought forward from P.Y 2022-23		
		(i)Loss from business		
		Rs22,000		
5	15.a.	Mr.Sharma joined the OLX Ltd during the previous year 2023-24 . He has list out the following particulars.	K4	CO5
		(i)Basic - Rs 12,000 per month		
		(ii)D.A (50% enter into service benefits)- Rs6,000per month		
		(iii)City Compensatory allowance – Rs2,000 per month		
		During the P.Y his employer has contributed Rs 20,000 to the pension scheme notified under section 80CCD .He is also contributed 15% of his basic salary to a notified scheme. Compute his total Income.		
		(OR)		
		15.b.		
		Analyze the provision related to 80CCD		

SECTION -C (30 Marks)Answer **ANY THREE** questions**ALL** questions carry **EQUAL** Marks

(3 × 10 = 30)

Module No.	Question No.	Question	K Level	CO
1	16	Mr. Singh an Indian citizen went to U.S.A on 10th October 2015 and returned to India after two years from there. Again on 10th October 2019 he went to Iran but returned on 10th May 2023.He made another attempt to go abroad the finally succeeded to go to Canada. He left Delhi for Canada on 10th February 2024.Determine his residential status for assessment year 2023-24 and 2024-25.	K5	CO1
2	17	Mr. Rajesh is working in a Government Sector . He furnishes the following particulars .Construct his taxable salary for the previous year 2023-24. Basic Salary Rs42,000per month Dearness Allowance Rs6,300 per month City Compensatory allowance Rs3,000 per month Entertainment allowance Rs2,000per month He owns a car(1400cc).He uses it partly for official and partly for private purpose. During the previous year 2023-24 he spent a sum of Rs86,000 on running and maintenance of car and as per log book 60%of the expenditure is attribute towards the official use of the car .The employer gives certificate to this effects.	K6	CO2

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3	18	From the following particulars of Mr.Sharma Analyze his business income for the P.Y 2023-24.	K4	CO3																																																								
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		Additional Information: (i) Legal Expenses includes Rs2,000 incurred by assessee for defending a case for damages for breach of contract which was decided in favour of assessee.																																																										
(ii)Depreciation of the year on assets other patent rights is Rs16,900.																																																												
(iii)Contribution of RPF due on 31.03.2024 Rs2,000.																																																												
4	19	Mr.Rao holds the following securities on 1 st April ,2023.	K4	CO4																																																								
		(i)Rs10,000 7.5% State government loan (date of Payment of Interest :June 30 every year)																																																										
		(ii) Rs 50,000 ,9% debentures (non listed)of ITC Ltd.(date of payment of Interest :Sep 15 and March 15 every year)																																																										
		(iii) Rs10,000 7% Relief Bonds (Tax Free)																																																										
		Apart from the aforesaid Securities, Rao invest in (Non listed) A.P Government Loan, Tamil Nadu Government loan and debentures of Godrej Ltd (Non listed) on June 30, 2023 and receives Rs5,000,Rs10,000 and Rs27,000 respectively as Interest on December 31,2023. He pays 2% commission to bank for collecting interest (net) on securities. List the taxable income of Mr.Rao for the A.Y 2024-25.																																																										
5	20	Explain the powers of CBDT.	K5	CO5																																																								

Z-Z-Z END