

**PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)**

**BCom DEGREE EXAMINATION MAY 2025
(Third Semester)**

Branch – **COMMERCE (COST & MANAGEMENT ACCOUNTING)**

DIRECT TAXATION - I

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	Residential status of company is determined (a) u/s 6(4) (b) u/s 6(1) (c) u/s 6(6) (d) u/s 6(3)	K1	CO1
	2	Income Tax is imposed by . (a) State Government (b) Central Government (c) Both of the above (d) Constitution of India	K2	CO1
2	3	Rent free accommodation given by the employer to employee is (a) Allowance (b) Perquisites (c) Profit in lieu of salary (d) All the above	K1	CO2
	4	_____ is rent fixed under rent control Act. (a) Municipal rental value (b) Standard rent (c) Fair rental value (d) Real rent	K2	CO2
3	5	Rate of depreciation in case of oil well: (a) 40% (b) 20% (c) 15% (d) 30%	K1	CO3
	6	Profession involves an occupation requiring (a) Purely intellectual skill (b) Manual skill based on special learning (c) Both a and b (d) knowledge	K2	CO3
4	7	Capital asset excludes all assets except (a) Stock in trade (b) Personal effect (c) Jewellery (d) Rural agricultural land	K1	CO4
	8	Which of the following incomes are chargeable under the head 'Income from other sources'? (a) Dividends (b) Winnings from lotteries (c) Betting (d) All of these	K2	CO4
5	9	Unabsorbed depreciation can be carried forward for (a) Any number of years (b) 8 years (c) 4 years (d) 7 years	K1	CO5
	10	The maximum amount of deduction u/s 80U allowed to a person with 80% or more of one or more disabilities is (a) 40,000 (b) 60,000 (c) 75,000 (d) 1,25,000	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.	How will you calculate the residential status of an individual?	K2	CO1																																																								
		(OR)																																																										
	11.b.	<p>The following are the incomes of Mr . Sharma for the previous year 2023-24 Profit on sale of machinery in Bangalore but received in Australia Rs 30,000.</p> <p>1. Profit from business in Canada, the business being controlled from India (one third is received in India) Rs 42,000.</p> <p>2. Income from house property in Iran Rs 20,000</p> <p>3. Agricultural income in England and was received there but brought in to India Rs 8,000</p> <p>4. Past untaxed foreign income brought into India during the previous year 2022-23 Rs 6,000</p> <p>Compute the total income of Mr. Sharma for the assessment year 2024-25 if he is a (a) Resident (b)Non Resident(c) NOR.</p>																																																										
2	12.a.	<p>Compute gross salary from information given below :</p> <p>(i) Salary @Rs 3,500 p.m.</p> <p>(ii) D.A @ Rs 1,000pm</p> <p>(iii)C.C.A @200 PM</p> <p>(iv)HRA @Rs1,000 pm (living in rented house at Delhi as D.A enter into pay for retirement benefits and rent paid is @Rs 1,500 pm.)</p> <p>(v) Commission on turnover achieved by him is @Rs 6,000pa.</p>	K2	CO2																																																								
		(OR)																																																										
	12.b.	<p>Calculate NAV from the particulars given below:</p> <table><tr><td></td><td>Rs.</td></tr><tr><td>Municipal Rent Value</td><td>60,000</td></tr><tr><td>Fair Rental Value</td><td>66,000</td></tr><tr><td>Actual Rent</td><td>6,000 p.m</td></tr><tr><td>Standard Rent</td><td>69,000</td></tr><tr><td>Unrealized rent for 2 months.</td><td></td></tr></table> <p>Municipal tax paid by the owner 12% of MRV +2% as sanitation surcharge</p>				Rs.	Municipal Rent Value	60,000	Fair Rental Value	66,000	Actual Rent	6,000 p.m	Standard Rent	69,000	Unrealized rent for 2 months.																																													
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3	13.a.	<p>The following is the Profit and Loss Account of a merchant for the year ending 31 March 2024.</p> <table><tr><th colspan="4">Profit & loss account</th></tr><tr><td>To office salary</td><td>6,500</td><td>By gross profit</td><td>36,750</td></tr><tr><td>To Bad debts</td><td>1,700</td><td>By commission</td><td>1,250</td></tr><tr><td>To Reserve for bad Debts</td><td>3,000</td><td>By discount</td><td>500</td></tr><tr><td>To Advertisement</td><td>3,800</td><td>By receipts</td><td>200</td></tr><tr><td>To Fire insurance Premium (house)</td><td>550</td><td>By profit on sale of investment</td><td>3,000</td></tr><tr><td>To General expenses</td><td>2,750</td><td>By rent of house</td><td>3,600</td></tr><tr><td>To Depreciation</td><td>1,200</td><td></td><td></td></tr><tr><td>To Interest on capital</td><td>2,000</td><td></td><td></td></tr><tr><td>To Interest on bank loan (due)</td><td>1,300</td><td></td><td></td></tr><tr><td>To net profit</td><td>22,500</td><td></td><td></td></tr><tr><td></td><td>-----</td><td></td><td>-----</td></tr><tr><td></td><td>45,300</td><td></td><td>45,300</td></tr><tr><td></td><td>-----</td><td></td><td>-----</td></tr></table> <p>Compute the taxable profit from the business. The amount of depreciation is Rs1, 000. Interest on bank loan was paid on 1 August 2021. Due date of filling return is 31.7.2025.</p>	Profit & loss account				To office salary	6,500	By gross profit	36,750	To Bad debts	1,700	By commission	1,250	To Reserve for bad Debts	3,000	By discount	500	To Advertisement	3,800	By receipts	200	To Fire insurance Premium (house)	550	By profit on sale of investment	3,000	To General expenses	2,750	By rent of house	3,600	To Depreciation	1,200			To Interest on capital	2,000			To Interest on bank loan (due)	1,300			To net profit	22,500				-----		-----		45,300		45,300		-----		-----	K2	CO3
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3	(OR)			
	13.b.	Write the professional receipts and expenses of a lawyer.	K2	CO3
4	14.a.	Compute the taxable capital gain from particulars given below: (i) Net consideration of a residential house rs.10,00,000 (2-6-21)(CII: 317) (ii) Cost of acquisition of this house Rs.2,10,000(1-5-2007) (CII: 129) (iii) New house acquired on 1-9-2023 for Rs.2,00,000 (CII: 2023-24-348)	K2	CO4
	(OR)			
	14.b.	From the following particulars for the year ended 31-3-2024, compute the income of Surya under the head "Income from other sources": Dividend from a co-operative society Rs 24,000. Dividend from an Indian company Rs 12,000. Dividend collection charges Rs 240. Rent from Buildings and machinery Rs 30,000. Depreciation on building was Rs 4,000. Insurance on buildings was Rs 1,600.		
5	15.a.	The particulars of assessment year 2024-25 are as under: Rs. Income from house property (+) 8,000 Profits and gains from business or profession: a. Manufacturing business: Trading profit or loss before depreciation (-) 15,000 Depreciation 32,000 b. Speculative transactions (+) 6,000 Income from other sources (+) 5,000 Short term capital loss (-) 5,000	K2	CO5
	(OR)			
	15.b.	Describe the provisions u/s 80 G under income tax act 1961.		

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	(i) Mr. Ram, a foreign citizen comes to India, for the first time in the last year on March 20, 2023. On September 1, 2023, he leaves India for Nepal on a business trip. He comes back on February 26, 2024. Determine the residential status of Mr. Ram for the assessment year. (ii) Mr. Danapal, an Indian citizen, leaves India on 22.9.2023 for the first time, to work as an officer of a company in France. Determine his residential status for the assessment year 2024-25.	K3	CO1
2	17	The following are the particulars of the income of Mr. Singh for the previous year ending on 31 st march : (i) Salary Rs.12,000 pm. (ii) Contribution to Recognized P.F Rs. 1,610 pm. (iii) Employer contributes the same amount as the employee contributes towards P.F. (iv) Dearness allowance Rs. 300 pm(not enter in to pay) (v) Interest credited to P.F @13%is Rs. 13,000 (vi) Contribution to public provident fund is Rs. 9,000 (vii) Bonus Rs. 3,000 (viii) His ration bill of Rs. 2,000pm is paid by employer Find out taxable salary income of Mr. Singh for the assessment year 2024-25.	K4	CO2

Cont...

3	18	Following is P&L account of Kesari Mallya for the previous year 2020-21.		K4	CO3		
		Profit & Loss a/c					
		Rs.	Rs.				
		To Salaries	25,650			By Gross profit	80,000
		To Rent	1,000			By Bank interest	450
		To Income tax	2,600			By Income	
						from house property	4,800
		To Commission To collect	25			By Bad debts	
		Interest On securities				recovered	2,000
		To Commission On sale	100			(last year allowed)	
		To Entertainment					
		Expenses	600			By Interest on	
						Securities	2,000
		To Embezzlement					
		by cashier	1,000				
To Municipal tax							
(house)	600						
To Bad debts							
(allowed)	450						
To Repairs to House	1,625						
To Office expenses	9,180						
To Depreciation	5,000						
To LIC premium	1,320						
To Net profit	40,100						
	-----		-----				
	89,250		89,250				
	-----		-----				
		Depreciation on the assets is Rs.4,500.					
		Compute the taxable business income for the assessment year 2024-25					
4	19	From the following the compute the total income of Mr.Lal for the assessment year 2024-25.		K3	CO4		
		1.Machinery purchased in 1998 at a cost of Rs 5,00,000. Depreciation allowed from Rs 3,00,000. Sale price of machine on 30/6/2023 Rs 7,00,000.					
		ii. Sale price of commercial building purchased in 2004-05(C.I.I: 113)at the cost of Rs 20,000 and cost of improvement made in 2008-09(C.I.I.137)Rs 20,000IS Rs.2,80,000					
		iv.Business income Rs 1,00,000.					
		Cost inflation index for 2023-2024 is 348.					
5	20	The following is the particulars of Mr. Krishna for the previous year 2023-24		K4	CO5		
		Rs.					
		Salary income	1,00,000				
		Rent from house (P.a)	58,000				
		Municipal taxes paid during the year	6,000				
		Short term capital gain	5,000				
		Long term capital gain	2,50,000				
		Winnings from lotteries (gross)	50,000				
		Interest on bank deposits	6,000				
		Interest on govt securities	2,000				
		Interest on debentures	14,000				
		Deposit in PPF account	90,000				
		LIC premium	20,000				
		Winnings from Crossword puzzles	80,000				
		Compute total income of Mr. Krishna for the assessment year 2024-25					