

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

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

Common to Branches- **COMMERCE/ COMMERCE(A&F)/COMMERCE(RM)/**  
**COMMERCE(FS)/ COMMERCE(BPS)**

**INCOME TAX**

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	As per the first basic condition to determine residential status, a person should have been in India during the previous year concerned for a) 60 days or more                      b) 120 days or more c) 182 days or more                      d) 240 days or more	K1	CO1
	2	The person who has to pay tax or other sum of money payable under I.T. Act is a) An Assessee                              b) A Client c) A debtor                                      d) A creditor	K2	CO1
2	3	Exempted limit of HRA in metropolitan cities is a) 40% of salary                              b) 50% of salary c) 15% of salary                              d) None of these	K1	CO2
	4	The basis of charge for Tax on Income from house property is a) Annual Value                              b) Rental Value c) Municipal Value                              d) Market Value	K2	CO2
3	5	Income from sale of rural agricultural land is a) Taxable capital gain                      b) Exempted capital gain c) Taxable income                              d) None of these	K1	CO3
	6	Which one of the following is inadmissible expense? a) GST    b) Sales tax b) Expenses on the assessment of income tax c) Income tax	K2	CO3
4	7	Which of the following gifts is taxable? a) Gift in kind from relatives              b) Gift from wife c) Gift from son                                      d) Gift from office colleague	K1	CO4
	8	AMT stands for a) Applicable Minimum Tax              b) Adjustable Minimum Tax c) Alternate Minimum Tax                      d) Allowed Minimum Tax	K2	CO4
5	9	The highest administrative authority for Income Tax in India is _____ a) Finance Minister                              b) CBDT c) President of India                              d) Director of Income Tax	K1	CO5
	10	The Scheme of filing returns by salaried employees through their employer is done by getting form a) No. 10                      b) No. 12 A                      c) No. 16                      d) No.25C	K2	CO5

**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.	Briefly explain about any five exempted incomes.	K5	CO1
		(OR)		

Cont...

1	11.b.	Mr. Rajendran left for U.S.A. along with his family, for the first time, on 14-10-2023. He returned to India on 31-05-2024. Determine his residential status for the assessment year 2024-2025.																																														
2	12.a.	Mr. Kishore is an employee of Zigma Ltd. He gets basic salary of ₹ 6,400 p.m. D.A. (50% enter for retirement benefit) ₹ . 3,200 p.m. Medical allowance ₹ . 800 p.m. Profession tax paid ₹ . 6,400 p.a. He has been provided with a rent free accommodation in Mumbai. Calculate taxable amount of rent free accommodation.	K4	CO2																																												
	(OR)																																															
	12.b.	Sr. Srinivasan took a loan of ₹ . 4,00,000 on 01-04-2020 at 20% p.a. to construct a house. The construction of the house was completed on 01-11-2022. Compute the amount of interest deductible in computing the income from house property, if the house is let out and the loan is not yet repaid during 2023-24.																																														
3	13.a.	<p>Kumar a lawyer by profession keeps his cash book as per cash system of accounting. The following is the summary of his cash book for the year ended 31<sup>st</sup> March 2024.</p> <table><tr><th>Particulars</th><th>₹</th><th>Particulars</th><th>₹</th></tr><tr><td>To balance</td><td>5,000</td><td>By Rent of chamber</td><td>2,400</td></tr><tr><td>To fees</td><td>35,000</td><td>By car expenses</td><td>3,600</td></tr><tr><td>To remuneration as examiner</td><td>3,000</td><td>By household expenses</td><td>12,000</td></tr><tr><td>To interest on bank deposits</td><td>2,500</td><td>By local taxes for the house</td><td>1,200</td></tr><tr><td>To rent from house property</td><td>8,000</td><td>By repairs of the house</td><td>4,000</td></tr><tr><td>To dividends</td><td>1,600</td><td>By LIC premium for self</td><td>4,800</td></tr><tr><td></td><td></td><td>By cost of books for profession</td><td>4,000</td></tr><tr><td></td><td></td><td>By medical treatment of self</td><td>5,000</td></tr><tr><td></td><td></td><td>By balance</td><td>18,100</td></tr><tr><td></td><td>55,100</td><td></td><td>55,100</td></tr></table> <p>Additional information:</p> <p>i. 1/3 of the house is used by Kumar for his own residence.</p> <p>ii. Kumar is insured for ₹ . 40,000</p> <p>iii. Kumar has to get medical treatment for an eye ailment caused by intensive study of law books.</p> <p>iv. ½ of the car expenses relate to personal use of the car by Kumar.</p> <p>v. Depreciation computed at the prescribed rate on the written down value of the Car is ₹ . 2,000</p> <p>Compute his income from profession.</p>	Particulars	₹	Particulars	₹	To balance	5,000	By Rent of chamber	2,400	To fees	35,000	By car expenses	3,600	To remuneration as examiner	3,000	By household expenses	12,000	To interest on bank deposits	2,500	By local taxes for the house	1,200	To rent from house property	8,000	By repairs of the house	4,000	To dividends	1,600	By LIC premium for self	4,800			By cost of books for profession	4,000			By medical treatment of self	5,000			By balance	18,100		55,100		55,100	K4	CO3
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	13.b.	<p>Mr. Rajan submits the following particulars of his business from which you calculate the income from business.</p> <p>Net Profit as per P&amp;L a/c (after charging the following) – ₹ . 1,25,000</p> <p>i. Sales tax Rs. 20,000 and Income tax ₹ . 55,000</p> <p>ii. Bad debts provision ₹ . 3,000</p> <p>iii Commission to procure business order ₹ . 8,000</p> <p>iv Interest on capital ₹ . 38,000</p> <p>v Depreciation ₹ . 4,000 (but as per income tax rules ₹ . 2,000 only)</p>																																														

4	14.a.	Total income of Shri. Mohan, a resident in India for the Assessment Year 2024-25 consists of the following:		K6	CO4
			₹.		
		Long term capital gain on sales of land	3,00,000		
		Short term capital gain on sale of securities on which securities transaction tax has been paid	20,000		
	Other income	1,00,000			
	He deposited ₹ .80,000 towards PPF. Compute the tax payable by Mr. Mohan.				
	(OR)				
5	14.b.	Mrs. Laxmi aged 50 years submits the following information:		K5	CO5
			₹		
		Income salary	12,50,000		
		Interest on saving bank deposits	20,000		
		Long term capital gain	40,800		
		Taxable house property income	1,80,000		
		Deposit in PPF	60,000		
		LIC premium	1,20,000		
		Compute the tax liability of Mrs. Laxmi.			
15.a.	Interpret the various types of assessment.				
(OR)					
15.b.	Explain the various functions of CBDT.				

**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. Arun an Indian Citizen, stayed in India for 182 days during the previous year 2023-2024. Determine Mr. Arun's residential status for the assessment year 2024-25 on the assumption that during the financial years 2013-2014 to 2022-23, he was present in India as follows:	K4	CO1	
		2013-2014			66 days
		2014-2015			180 days
		2015-2016			20 days
		2016-2017			50 days
		2017-2018			50 days
		2018-2019			59 days
		2019-2020			180 days
		2020-2021			50 days
		2021-2022			58 days
		2022-2023			59 days

2	17	From the particulars given below compute the salary income of Mrs. Swati under new tax regime for the year ending on 31-03-2024:	K5	CO2
		1.Net salary received after deduction of the following		
		Income tax deducted at source		
		Own contribution to RPF		
		Rent of residential house provided		
		2.Profit bonus		
		3.Entertainment allowance		
		4.She went on tour for official purposes and received travelling allowance		
		5.She was ill and was treated in a private hospital. Medical bills reimbursed		
		6.She was provided with rent free house owned by the company at Patna (Population 20 lakhs as per 2001 census and 35 lakhs as per 2011 census) company also provided a gardener to maintain this house. Salary of gardener paid by the company.		
		7.The electricity and water bill of the above house paid by the company		
3	18	8. She was provided with a car of 1.2 lt. CC which was used partly for personal and partly for employment purposes	K5	CO3
		9. The company contributed ₹. 24,000 towards RPF.		
4	19	10. She has taken interest free loan of ₹.12,000 against salary during the year repayable in 6 equal monthly instalments starting from August 2023.	K6	CO4
5	20	Sri. Varadhan sells a residential house property in Madurai for ₹. 90,00,000 on May 20, 2023 which was purchased by him on April 25, 1965 for ₹. 50,000. The fair market value on April 1, 2001 was ₹. 2,00,000. He purchases a new residential house property for Rs. 10,00,000 on 28 <sup>th</sup> March 2024 house is not fully constructed and deposited Rs. 5,00,000 on July 31, 2024 (being the last date for furnishing return of income for the assessment year 2024-25) in a bank account specified for the purpose of Sec. 54.	K5	CO5
		Assuming that Sri. Varadhan withdraws from the deposit account and completes the construction of a house property on January 2025, for ₹.4,00,000; withdrew the unutilized amount in the deposit account after May 20, 2026, compute the amount of Capital Gains chargeable to tax. CII for 2001-02 is 100, 2023-24 is 348.		
4	19	The following investments are held by Mr. Laxman on 01-04-2023:	K6	CO4
		i. ₹. 40,000, 10% U.P. Government Loan ii. ₹. 35,000, 8% Debentures of a Sugar Mill Co. Saharanpur iii. ₹. 50,000, 12% debentures of Ugly Trading Co.		
5	20	On 01-09-2023, he sold the debentures-cum-interest of Ugly Trading Co. and purchased ₹.60,000, 15% debentures-cum-interest of Beauty Trading Co. Interest on investments is received half-yearly on 1 <sup>st</sup> July and 1 <sup>st</sup> January every year. Calculate income from securities for the previous year 2023-2024.	K5	CO5
		Interpret the steps involved in e-filing process of ITR.		