# PSG COLLEGE OF ARTS & SCIENCE (AUTONOMOUS)

### **BVoc DEGREE EXAMINATION MAY 2025**

(Fourth Semester)

## Branch - BANKING, STOCK AND INSURANCE

#### **INCOME TAX**

Time: Three Hours

Maximum: 75 Marks

#### SECTION-A (10 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

 $(10 \times 1 = 10)$ 

Question No.	Question	K Level	СО
1	An individual who wants to be a resident of India must stay in India for at least U/S 6(1)(a).  a)182 days	K1	CO1
2	The term previous year means a)The accounting period of the assessee b) The non accounting period of the assesse c) Financial year before the assessment year d) Calendar year before the assessment year	K2	CO1
3	Perquisites and allowances paid to Government employees posted abroad are a) Fully taxable b) Fully exempted c) Exempted if consumed abroad d) Taxable upto 10% of employee's salary	<b>K</b> 1	CO2
4	Standard deduction U/S 24 out of Net annual value would be allowed as under  a) Rs 5 000 b) 30% of net annual value c) Nil d)Rs.10,000	K2	CO2
5	Unabsorbed depreciation can be carried forward for set off  a) For a period of four years only b) For a period of eight years only c) For a period of six years only d) For an unlimited number of years	K1	CO3
6	A short term capital asset is the one held for not more than  a) 48 months b) 36 months c) 60 months d) 28 months	K2	CO3
7	For any loss to be carried forward and set off against the income of subsequent years the return of such loss must be filed  a) U/S 139(1) b) U/S140(1) c) U/S144(2) d) U/S143(2)	K1	CO4
8	Income from sub-letting house computed under the heads of income  a) Salary Income b) House property income c) Business income d) Income from other sources	K2 <sub>.</sub>	CO4
9	Dividend by an Indian company paid outside India is a) Income accruing in India b) Income deemed to accrue in India c) Income accruing outside India d) Income deemed to accrue outside India	K1	CO5
10	Deduction u/s 80C to female(below the age of 60) assessee is allowed at the rate of  a) Rs.50,000 p.a  b) Rs.10,000p.a  c) Rs.1,50,000p.a  d) Rs.1,75,000p.a	K2	CO5

#### SECTION - B (35 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks

 $(5 \times 7 = 35)$ 

Question No.	Question	K Level	со
	Explain the Residential status of an individual.	К2	CO1
<u> </u>	(OR)		<u> </u>

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	The following are the details of income of Mr.Kumar:		
	1. Share of income from a joint venture in India Rs.10,000		ļ
	2. Dividend Rs.1,000		
	3. Income from agriculture in Pakistan Rs.20,000		
	4. Salary received in India Rs.9,000 (computed) but the services for the same were		ł
	rendered in Iran.		
11.b.	5. Income from business (controlled from India) in Pakistan Rs.10,000 and the income		
	remitted to India		
	6. Income earned and received in Pakistan from bank deposits Rs.10,000		
	7. Income accrued in India but received in Iran Rs.10,000		
	Compute Mr.Kumar taxable income if he is i) Resident ii) Not ordinarily resident iii) Non-		
	resident.		<u> </u>
12.a.	Explain any Ten Exempted Perquisites.		1
	(OR)		ł
	Mr. Kumar is the owner of House Property in Kanpur. It has been let out for		i
	Rs.90,000. The tax payable the owner comes to Rs.8,400 on municipal valuation of		I
	Rs.84,000 but the landlord has taken an agreement from the tenant stating that the		1
	tenant would pay tax direct to the municipality. The landlord, however, bears the		<b>†</b>
	following expenses on tenant's amenities:	]	1
	Water charges(as per agreement) 1,000		
	Lift Maintenance 1,000	К3	CO2
	Salary of Gardener 1,200	12.5	002
12.b.	Lighting of Stairs 800		
	The landlord claims the following deductions:		
	Repairs 30,000		ł
•	Land Revenue 1,000		
	Collection Charges 2,000		
	Legal charges incurred on purchase of land on which house property is situated	,	ŀ
	Rs.24,000.		ļ
	Compute the taxable income from house property.		
	From the following statement, compute the income from profession of Dr.Gopal if		
	accounts are maintained on cash/receipt system.		
	To Dispensary rent 36,000 By Visiting fees 45,000		
٠	To Electricity and water charges 6,000 By Consultation fees 1,25,000		
	To Telephone expenses 6,000 By Sales of Medicines 72,000		
	To Salary to Nurse 36,000 By Dividends 5,000		ļ
•	To Dep.on Surgical equipment 6,000		
	To Purchase of medicines 36,000		ļ
	To Dep.on X ray Machine 4,000		}
	1 • • • • • • • • • • • • • • • • • • •		
		77.0	000
13.a.	To Donation to Rama krishan 4,000	K3	CO3
	To Motor car expenses 9,600		
	To Dep.on car 4,800		}
	To Net income 93,100		Ī
	4		}
	2,47,000 2,47,000		l
			1
	Notes:		
	a) Electricity and water charges include domestic bill of Rs.2,500		1
	b) Half of motor car expenses are for personal use.		
	c) Telephone expenses include 40% for personal use.		l
	d) Opening stock of medicines was Rs.6,000 and closing stock was Rs.4,000.		<del> </del>
	(OR)		
	Mr.Prasath is a film producer. During the previous year he sold a film projector of		
	Rs.1,70,000 which had cost him Rs.1,50,000 and in respect of which Rs.40,000 had		
13.b.	been allowed as depreciation during last two years. Besides, his total income from		
	business was Rs.75,000. Expenses on sale amounts to Rs.5,000.		<u> </u>
	From the following information compute the income from other sources for the		
	assessment year 2023-24.		
	assessment year 2025 2		l
14.a.	ii) From the activity of owing and maintaining horses for race purposes	К3	CO4
A T1666	a) Loss at Bombay 40,000	CA.	1004
	b) Profit at Bangalore 20,000		j
	iii) Dividend (Gross) from Indian companies 6,000		)
	iv) Betting in horse races 4,000		ł
	(OR)		<u> </u>

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		Cont	
Mr. Atul, an Indian Resident, furnishes the following assessment year 2024-25. You are required to deal	ng particulars of his income f with set of and carry forward	or the of	
losses under new tax us give.			
Particulars Particulars	Amt (Rs)	Ì	
Income from Securities (GW)	10,000		,
Income from residential house (computed)	5,000		
Profit form Rayon Business	25,000		
Income from agency Business	2,000	İ	
	2,000	j	1
Short term capital gain	4,000	l	ļ
Long term capital gain	9,500		
The carry forward items from the assessment year	2023-24 account		1
		İ	1
	3,000	j	1
Loss from Rayon Business	3,000		
Speculation loss	4,000		1
Short term capital loss	6,000		ł
Long term capital loss (of P.Y 2021-22)	. 6,500		<b>:</b> .
Current years depreciation for rayon business in R	s.500.		<u> </u>
Illustrate the procedure of TDS.			
(OR)		K3	CO5
Construct the procedure for Self-Assessment.			
	assessment year 2024-25. You are required to deal losses under new tax us give.  Particulars Income from Securities (GW) Income from residential house (computed) Profit form Rayon Business Income from agency Business Speculation Income Short term capital gain Long term capital gain The carry forward items from the assessment year Loss from Hosiery Business (discontinued in 2021 Loss in agency business Loss from Rayon Business Speculation loss Short term capital loss Long term capital loss (of P.Y 2021-22) Current years depreciation for rayon business in Rs Illustrate the procedure of TDS.	assessment year 2024-25. You are required to deal with set of and carry forward losses under new tax us give.  Particulars  Particulars  Income from Securities (GW)  Income from residential house (computed)  Profit form Rayon Business  Income from agency Business  Income from text (Rs)  Income from Expone  Income	Mr. Atul, an Indian Resident, furnishes the following particulars of his income for the assessment year 2024-25. You are required to deal with set of and carry forward of losses under new tax us give.  Particulars  Amt (Rs)  Income from Securities (GW)  Income from residential house (computed)  Profit form Rayon Business  25,000  Income from agency Business  2,000  Short term capital gain  Long term capital gain  4,000  Loss from Hosiery Business (discontinued in 2021-22)  Loss in agency business  3,000  Loss from Rayon Business  3,000  Speculation loss  4,000  Short term capital loss  6,000  Long term capital loss  Corrent years depreciation for rayon business in Rs.500.  Illustrate the procedure of TDS.

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

	Answer ANY THREE questions	ın)		
<u> </u>	ALL questions carry EQUAL Marks (3 × 10 = 30)  Westion   K   Co.			
Question No.	Question	Level	CO	
16	Mr. A Engineer from UK was appointed as senior engineer in India for the first time on 1-11-2018. On 31st January 2021 he went to Pakistan on deputation but left his family (wife and Children) in India. On 1st May 2022 he came to India and took his family on 31st October 2022. He returned to India and Joined his original post on 5th Feb.2024. Determine the residential status of Mr. A for the assessment years 2021-22 to 2024-25.	К3	COI	
17	Mr. A an employee of Ranchi (Population 15 Lakh 2011) and 30 Lakhs (2021) based company provides the following particulars of his salary income.  Particulars  Amt (Rs.)  Basic Salary  12,000 pm  Profit bonus  Commission on turnover achieved by A  Entertainment allowance  2,000 pm  Club facility  5,000  Transport allowance  1,800 pm  i) Free car of more than 1.6 It capacity for both personal and employment purposes:  Expenses are met by employer  ii) Rent free house provided by employer. Lease Rent paid by employees 6,000 pm  iii) Free education facility for 3 children of the employee (Bills issued in the name of employer) 22,500 pm  iv) Gas, water and electricity bills issued in the name of employee but by paid by employer 16,800  Compute income under the head salary for the assessment year 2024-25 assuming that the employee opts to be taxed under new tax regime.	<b>K4</b>	CO2	
18	Explain the provisions relating to the Exempted Capital gains.	K4_	CO:	
19	Sri Mukunda furnishes the following particulars of the income for the P.Y 2023-24 compute the total income.  Particulars  Amt (Rs.)  a)Dividend equity (gives) (Indian Co.)  b)Dividend on preference shares (Indian Co.)  c)Income from letting on bill of Building and machinery – composit lease  d) Interest on Bank Deposits  e) Directors sitting fees  f) Ground Rent  g) Income from undisclosed source  h) Income form Lotteries (gus)  The following deductions are claimed by him  a) Collection charges of dividend Rs.20  b) Allowable depreciation on building and machinery Rs.4000	K4	CO4	
	c) Fire Insurance on building & machinery Rs.100	VC	CO	
20	Explain the E-Filling Concept.	K5	CU	