

**PSG COLLEGE OF ARTS & SCIENCE**  
(AUTONOMOUS)  
**MCom(CS) DEGREE EXAMINATION MAY 2025**  
(Third Semester)

Branch- **CORPORATE SECRETARYSHIP**  
**DIRECT TAXES**

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 does the financial year for income tax purposes begin in India? a) January 1      b) April 1      c) July 1      d) October 1	K1	CO1
	2	Infer the impact of a tax rate increase on the economy. a) It can lead to a decrease in economic activity. b) It can lead to an increase in economic activity. c) It has no impact on the economy. d) It depends on the overall economic situation.	K2	CO1
2	3	Who is generally liable to pay tax on income from house property? a) The owner      b) The tenant c) Both owner and tenant      d) Willing person	K1	CO1
	4	Infer the impact of a higher tax rate on income from house property on the housing market. a) It has no impact on the housing market. b) It can lead to an increase in property prices. c) It can lead to a decrease in property prices. d) It depends on the overall economic situation.	K2	CO2
3	5	Why is income from other sources considered taxable? a) It is a revenue asset      b) It is a capital asset c) It is a business activity      d) It is a source of income	K1	CO1
	6	Compare the tax rates for short-term capital gains and long-term capital gains. a) Short-term capital gains are always taxed at a higher rate. b) Long-term capital gains are always taxed at a higher rate. c) The tax rates depend on the type of asset. d) The tax rates are the same for both.	K2	CO1
4	7	What is the tax status of a partnership firm? a) Taxable as a separate entity b) Taxable as a firm, but partners are taxed individually c) Not taxable, only partners are taxed d) Exempt from tax	K1	CO1
	8	Show how tax incidence on a company affects its shareholders. a) Shareholders are taxed on dividends received b) Shareholders are taxed on capital gains c) Shareholders are exempt from tax d) Shareholders are taxed on interest income	K2	CO1
5	9	Who appoints the Income Tax Authorities? a) Prime Minister of India      b) Ministry of Finance c) President of India      d) Central Board of Direct Taxes (CBDT)	K1	CO1
	10	Compare the powers of an Assessing Officer and a Commissioner of Income Tax. a) Assessing Officer has more powers b) Commissioner of Income Tax has more powers c) Both have equal powers d) Assessing Officer has limited powers, Commissioner of Income Tax has extensive powers	K2	CO1

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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. Joseph a foreigner, came to India from Poland for the first time on 1st April 2017, He stayed here continuously for 3 years and went to France on 1st April 2020. He, however, returned to India on 1st July 2020 and went to Poland on 1st December 2021. He again came back to India on 25th January 2021 on a service in India. Analyze Mr. Joseph residential status for the A.Y 2024-25.	K4	CO2
	11.b.	(OR) Mr. Ford an American national was appointed as Senior Scientific Officer in India on 1st April 2015. On 31st January, 2021 he went to Sri Lanka on deputation for a period of three years but left his wife and Children, in India. On 1st May, 2022 he came to India and took with him his family to Sri Lanka on 30th June, 2022. He returned to India and joined his original job on 20th Dec., 2023. Examine the residential status of Mr. Ford for income tax purposes for the assessment years 2021-22, 2022-23, 2023-24 and 2024-25?		
2	12.a.	Mr. Hari is employed at Amritsar on a salary of Rs. 30,000 p.m. The employer is paying H.R.A. of Rs.8,000 p.m. but the actual rent paid by him (employee) is Rs. 12,000 p.m. He is also getting 2% Commission on turnover achieved by him and turnover is Rs. 50,00,000. Calculate his Gross Salary.	K4	CO2
	12.b.	(OR) Mr. Seema patri owns a house property at Cochin. It consists of 3 independent units and information about the property is given below: Unit 1 : Own residence Unit 2 : Let out Unit 3 : Own business MRV 1,20,000 p.a FRV 1,32,000 p.a Standard Rent 1,08,000 p.a Rent 3,500 p.m Unrealised rent 3 Months Repairs 10,000 Insurance 2,000 Interest on money borrowed for the construction of property 96,000 Municipal Taxes 14,400 Date of Completion 1.11.2018 Compute income from house property under new tax regime.		
3	13.a.	Mr. Ankit purchased a residential house during the previous year 2001-02 (C.LL. 100) for Rs. 40 lakhs and sold it for Rs.2 crores during the previous year 2023-24 (C.II 348). He purchased two houses worth 25 lakhs each on February 21, 2024. Calculate taxable capital gain u/s 54 for the assessment year 2024-25.	K5	CO3
	13.b.	(OR) Mr. X has the following incomes during the year ending 31-3-2024; 1. Dividend declared by M. Co. on 31-3-2023 [Indian Co.] Rs.6000 2. Dividend declared by Z Co. on 31-3-2024 [Indian Co.] Rs.9000 3. Interim dividend received on 1-5-2023 [Indian Co.] Rs.3000 4. He won gold worth Rs.10,00,000 from Panjab State Lottery 5. During March 2024 he earned Rs. 1,00,000 as prize money on horse races. These horses are owned by him and expenditure incurred on maintenance of these horses amounted to Rs.1,60,000. Compute income from other sources for the assessment year 2024-25.		

4	14.a.	The total income of a LLP/Firm, computed under the normal provisions of Income Tax Act is Rs.15.00.000. However, the 'adjusted total income' of the LLP [computed as per Section 115JC(2) amounted to Rs. 30,00.000. Calculate the Final Tax Liability of the LLP for Assessment Year 2024-25.	K5	CO4
	(OR)			
	14.b.	The total income of XYZ Ltd., a domestic company, computed under the normal provisions of Income Tax Act is Rs.2,50,000. However, the Book profits of the company (calculated as per section 115JB) amount to Rs. 8,15,000. Calculate the tax liability of company for Assessment year 2024-25, on the assumption that the total turnover of the company for the previous year 2021-22 did not exceed Rs.400 crores.		
5	15.a.	What are the powers of Income Tax Authorities under Section 131 of the Income Tax Act?	K6	CO5
	(OR)			
	15.b.	What are the consequences of failure to deduct or deposit Tax Deducted at Source (TDS) by the deductor?		

**SECTION -C (30 Marks)**

Answer ANY THREE questions

ALL questions carry EQUAL Marks

(3 × 10 = 30)

ALL questions carry EQUAL Marks					
Module No.	Question No.	Question	K Level	CO	
1	16	From the following particulars compute the total income of Mr. C.A. for the assessment year 2024-25 if he is (a) Ordinary Resident; (b) Resident but not ordinarily resident; or (c) Non-resident.	K4	CO2	
					Rs.
		(i) Income from house property in India [computed]			32000
		(ii) Loss from house property in France			-60000
		(iii) Income from house property in England received there and deposited in Bank there			90000
		(iv) Business income in India			260000
		(v) Loss from Business in England			-120000
		(vi) Profit from business in England which is controlled from there			100000
		(vii) Interest on debentures of an Indian Company			10000
		(viii) Income from profession set up in India received in England for services rendered in India			200000
2	17	The following are the particulars of the income of Shri Aravind for the previous year ending on 31 <sup>st</sup> march: 1) Salary Rs 32000 p.m. 2) Contribution to Recognized P.F. Rs. 4000 p.m 3) Employer contribute the same amount as the employee contributes towards P.F 4) D.A Rs.5000 p.m . It is not considered for computation of his retirement benefits. 5) Interest credited to P.F @ 13% is 13000. 6) Contribution to Public P.F is Rs 9000 7) Bonus Rs.3000 8) His ration bill of Rs 2000 p.m is paid by employer 9) Premium of life policy is Rs 12,000 on a policy of Rs.200000 10) Deposited Rs.4800 in equity linked saving scheme (ELSS) 11) Repayment to house building loan taken from HDFC (a govt. agency) Rs.20500 during the year. Find out taxable income of shri. Aravind for the assessment year 2024-25 under old tax regime.	K4	CO2	

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3	18	Calculate Gross Total Income under old tax regime (set-off and carry forward losses).	K5	CO3
		<b>House property</b>		
		Loss from self-occupied house		
		Income from let-out house		
		<b>Profit and gains of Business or Profession</b>		
		Hosiery business		
		Cycle business		
		Speculation business		
		<b>Capital gains</b>		
		Short term capital gain		
		Short term capital loss		
		Long term capital gain		
		Long term capital loss		
		<b>Income from other sources</b>		
		Bank interest		
		Dividend from companies		
		Loss from gambling		
4	19	Discuss in detail provision of Minimum Alternative Tax u/s 115JB.	K5	CO4
5	20	What is the role of the Central Board of Direct Taxes (CBDT) in the administration of income tax?	K6	CO5

Z-Z-Z END