

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

**MCom DEGREE EXAMINATION DECEMBER 2025
 (First Semester)**

Comm to Branches – **COMMERCE / COMMERCE WITH COMPUTER APPLICATIONS**

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	the basic exemption limit for an individual below 60 years (AY 2025-26) a) Rs.2,00,000 b) Rs.2,50,000 c) Rs.3,00,000 d) Rs.5,00,000	K1	CO1
	2	Which of the following incomes is NOT exempt? a) Agricultural income in India b) Share of profit from a partnership firm c) Gift from a friend exceeding Rs.50,000 d) Scholarship received for education	K2	CO1
2	3	Rate of Alternate Minimum Tax (AMT) applicable to partnership firms. a) 25% b) 20% c) 18.5% d) 30%	K1	CO2
	4	the term AOP stands a) Association of Partners b) Association of Persons c) Agreement of Partnership d) Alliance of Proprietors	K2	CO2
3	5	Minimum Alternate Tax (MAT) is applicable under Section a) 115JB b) 115JC c) 80IA d) 10(23C)	K1	CO3
	6	a Limited Liability Partnership (LLP). a) A company b) A partnership firm c) Hybrid of partnership and company d) Proprietorship	K2	CO3
4	7	Which section empowers the officer to make reassessment after 6 years? a) Section 140A b) Section 139 c) Section 143(3) d) Section 147(2)	K1	CO4
	8	Time limit to issue notice for reassessment under Section 148 is generally. a) 2 years b) 10 years c) 6 years d) 3 years	K2	CO4
5	9	Defective return is a) A return which has errors or omissions as identified by the department b) A return filed on time c) A belated return d) Revised return	K1	CO5
	10	E-filing of return can be done via. a) Fax b) Postal mail c) Physical submission only d) Income Tax Department portal	K2	CO5

Cont...

SECTION - B (35 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks $(5 \times 7 = 35)$

Module No.	Question No.	Question	K Level	CO
1	11.a.	<p>Compute the total income of Mr.Ravi from the particulars given below</p> <p>I. Interest on securities (Gross) Rs 27,000 II. Rental value of a house Rs 7,500 p.m :self acquired but transferred to HUF common pool. Income from this house (computed) is Rs 25,200 III. Share from firm in which he has 1/3rd share Rs 45,000 IV. Commission received by his wife from such from for acting as is selling agent Rs 25,000</p> <p>(OR)</p>	K1	CO1
	11.b.	Taxable income of Mr.Rai aged 65 years is Rs 19,00,000. He claimed deduction of Rs 3,00,000 U/s 80 QQB. Calculate his tax liability for the Assessment year 2024-2025 under old tax regime keeping in view the provisions of alternate Minimum Tax.		
2	12.a.	Explain the Distinguish between tax planning and tax Evasion .	K3	CO2
	12.b.	<p>The total income of a AOP in which A,B,&C are more members share profits and losses in the ratio of 1:2:2 was assessed at Rs 16,000.in computing the income of Rs 16,000 the income tax office has made the necessary adjustments in respect of the following</p> <p>I) Salaries of Rs 12,000 and Rs. 8,000 to A and B respectively II) Interest of Rs 1,000 Rs 6,000 and Rs 25,000 to A,B,&C Respectively. III) Commission of Rs 2,000 Rs 5,000 and Rs7,000 to A,B,C respectively. IV) C has borrowed capital for his investment in the firm and had paid interest of Rs 15,000 separately to the lender . Compute the share of the respective partners for their individual assessment.</p>		
3	13.a.	<p>The total income of XYZ Ltd,a domestic company ,computed under the normal provisions of income tax Act is Rs5,00,000.however the book profits of the company (calculate as per section 115JB)amount of Rs14,50,000.calculate the tax liability of company for AY2025-26.what is the amount of tax credit available to company</p> <p>(OR)</p>	K4	CO3
	13.b.	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 115 JC (2) amounted to Rs 30,00,000.calculate the final Tax Liability of the LLP for A.Y 2025-26		
4	14.a.	From the particulars given below compute the amount of income tax, additional income tax and interest payable by the assessee for the year 2025-2026 under tax regime	K5	CO4
		<p>i) Total income as per return of income filed by assessee Rs 4,50,000 ii) Total income as assessed by Assessing officer Rs 5,18,000 iii) Tax Deducted at source Rs 5,200 iv) Advance tax paid Rs 5,800 v) Tax deposited at the time of self Assessment Rs 1,000 vi) Date of filling of Return 02-12-2025 vii) Due date of Filling of Return 31-07-2025</p> <p>(OR)</p>		
5	14.b.	Determine how to ensure objectivity in your best judgment assessments?	K6	CO5
	15.a.	Explain about Electronic Filing of Return and Provision relating to E-filing of return under Income tax act 1961 (sec 139D).		
	15.b.	(OR)		
		Develop the improving compliance regarding Quoting of PAN?		

SECTION -C (30 Marks)

Answer ANY THREE questions

ALL questions carry EQUAL Marks (3 x 10 = 30)

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1	16	<p>Mr. shaan works with XYZ Ltd. During the previous year 2024-25 ,the details of his income and investments are as follows:</p> <table border="1"> <thead> <tr> <th>Particulars</th><th>Rs</th></tr> </thead> <tbody> <tr><td>Basic Salary</td><td>50,000 p.m</td></tr> <tr><td>HRA</td><td>40,000</td></tr> <tr><td>Exempted HRA</td><td>10,000</td></tr> <tr><td>Uniform Allowance</td><td>36,000</td></tr> <tr><td>Official expenses on uniform</td><td>36,000</td></tr> <tr><td>Leave travel concession</td><td>90,000</td></tr> <tr><td>Exempted LTC</td><td>75,000</td></tr> <tr><td>Income from Let our house Property :</td><td></td></tr> <tr><td>House I</td><td>80,000</td></tr> <tr><td>House II</td><td>1,20,000</td></tr> <tr><td>Income from other sources:</td><td></td></tr> <tr><td>Interest on saving a/c</td><td>40,000</td></tr> <tr><td>Interest on saving a/c of his minor daughter</td><td>8,500</td></tr> <tr><td>Interest on PPF</td><td>2,00,000</td></tr> <tr><td>Deduction under sec 80C</td><td>1,50,000</td></tr> <tr><td>Deduction under sec 80D</td><td>20,000</td></tr> <tr><td>Find out his taxable income tax liability for the A.Y 25-26 Under both the tax regime</td><td></td></tr> </tbody> </table>	Particulars	Rs	Basic Salary	50,000 p.m	HRA	40,000	Exempted HRA	10,000	Uniform Allowance	36,000	Official expenses on uniform	36,000	Leave travel concession	90,000	Exempted LTC	75,000	Income from Let our house Property :		House I	80,000	House II	1,20,000	Income from other sources:		Interest on saving a/c	40,000	Interest on saving a/c of his minor daughter	8,500	Interest on PPF	2,00,000	Deduction under sec 80C	1,50,000	Deduction under sec 80D	20,000	Find out his taxable income tax liability for the A.Y 25-26 Under both the tax regime		K1	CO1
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2	17	<p>Mr.M and Mr.N are member of an AOP sharing profits and losses in the ratio of 2:1.AOP has income of Rs 2,86,000 under the head profits and gains. It also has agricultural income of Rs1,20,000.the Individual income of its members are as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Member</th><th colspan="2">Case A</th><th colspan="2">Case B</th></tr> <tr> <th>Agri Income</th><th>Non- Agri Income</th><th>Agri income</th><th>Non- Agri income</th></tr> </thead> <tbody> <tr><td>Mr.M</td><td>Rs30,000</td><td>Rs1,48,000</td><td>Rs3,000</td><td>Rs2,68,000</td></tr> <tr><td>Mr.N</td><td>Rs40,000</td><td>Rs1,76,000</td><td>Rs40,000</td><td>Rs 88,000</td></tr> </tbody> </table> <p>During the year Mr. M paid life insurance premium of Rs 10,000 of an policy Rs1,00,000 and Mr .N deposited in PPF. calculate the tax Liability of AOP and its member for the A.Y 2025-26 under tax regime.</p>	Member	Case A		Case B		Agri Income	Non- Agri Income	Agri income	Non- Agri income	Mr.M	Rs30,000	Rs1,48,000	Rs3,000	Rs2,68,000	Mr.N	Rs40,000	Rs1,76,000	Rs40,000	Rs 88,000	K3	CO2																	
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3	18	<p>The profit and loss account A,B&C carrying on business in partnership (dually evidenced by partnership deed) for the ended 31st March 2025 is as follows:</p> <table border="1"> <thead> <tr> <th>Particulars</th><th>Rs</th><th>Particulars</th><th>Rs</th></tr> </thead> <tbody> <tr><td>Cost of goods sold</td><td>7,90,000</td><td>Sales</td><td>13,50,000</td></tr> <tr><td>Salary to partners: A B C</td><td>1,50,000 1,00,000 55,000</td><td>Interest on debentures</td><td>60,000</td></tr> <tr><td>Interest on capital @5% A B C</td><td>40,000 10,000 60,000</td><td>Rent from house (1/2 portion)</td><td>50,000</td></tr> <tr><td>Municipal taxes of house property (total)</td><td>5,000</td><td></td><td></td></tr> <tr><td>Other expenses</td><td>2,10,000</td><td></td><td></td></tr> <tr><td>Net profit</td><td>40,000</td><td></td><td></td></tr> <tr><td>Total</td><td>14,60,000</td><td>Total</td><td>14,60,000</td></tr> </tbody> </table>	Particulars	Rs	Particulars	Rs	Cost of goods sold	7,90,000	Sales	13,50,000	Salary to partners: A B C	1,50,000 1,00,000 55,000	Interest on debentures	60,000	Interest on capital @5% A B C	40,000 10,000 60,000	Rent from house (1/2 portion)	50,000	Municipal taxes of house property (total)	5,000			Other expenses	2,10,000			Net profit	40,000			Total	14,60,000	Total	14,60,000	K4	CO3				
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4	19	Explain the procedure regarding assessment with special reference to summary procedure ie completion of assessment U/s 143(2).	K5	CO4																																				
5	20	Briefly explain the prescribed forms for filling Returns on Income (Rule 12 of Income -tax Rules 1962 (Applicable for Assessment year 2025-2026).	K6	CO5																																				

