

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)
BCom DEGREE EXAMINATION DECEMBER 2025
(Fifth Semester)
Branch – **COMMERCE (BUSINESS ANALYTICS)**
INCOME TAX

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

$(10 \times 1 = 10)$

Module No.	Question No.	Question	K Level	CO
1	1	When income tax was levied in India first time? a) in 1860 b) in 1886 c) in 1918 d) in 1961	K1	CO1
	2	Indicate the residential status of an assessee is ascertained as per the provisions of _____ a) Sec. 6 b) Sec. 7 c) Sec. 9 d) Sec. 11	K2	CO1
2	3	State the education allowance is exempted up to a maximum of _____ a) One child b) Two children c) Three children d) Four children	K1	CO2
	4	How much is allowed for standard deduction under section 24? a) 10% b) 20% c) 30% d) 50%	K2	CO2
3	5	The profit earned from an illegal business are _____ a) Taxable b) Tax free c) Ignored by tax authorities d) None of these	K1	CO3
	6	Tax on long term capital gain is _____ a) 10% b) 20% c) 30% d) 25%	K2	CO3
4	7	Which of the following incomes is taxable under "Income from Other Sources"? a) Dividend income (other than exempt u/s 10) b) Winning from lotteries c) Interest on securities not taxed under other heads d) All of the above	K1	CO4
	8	Which section allows deduction for medical insurance premium paid? a) 80C b) 80D c) 80DD d) 80U	K2	CO4
5	9	Which of the following is clubbing of income is a method to discourage _____ a) Tax evasion b) Tax avoidance c) Excessive exemptions d) Excessive tax payment	K1	CO5
	10	Deduction of tax at source made for incomes which can be calculated in advance is called _____ a) TDS b) PAS c) FAS d) MAS	K2	CO5

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.	Explain the term 'Previous year and Assessment year'. (OR)	K2	CO1
	11.b.	Mr.Gatting a foreign citizen, leaves India for the first time in the last 20 years on November 25, 2022. During the calendar year 2023, he comes to India on September 1, and stays for a period of 20 days. During the calendar year 2024 he does not visit India at all but comes to India on January 15, 2025. Show the residential status of Mr.Gatting for the Assessment year 2025-26.		
2	12.a.	Calculate his gross salary under old tax regime. 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 is Rs.12,000 p.m. He is also getting 2% commission on turnover achieved by him and turnover os Rs.5,00,00,000. (OR)	K3	CO2
	12.b.	Calculate the ARV from the particulars given below: MRV Rs.60,000 p.a. FRV Rs.66,000 p.a Standard Rent Rs.69,000 p.a. Actual rent Rs.7,000 p.m. During the year 24-25 assesee could not realize rent for two months.		

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SECTION -C (30 Marks)

Answer ANY THREE questions

ALL questions carry **EQUAL** Marks

$$(3 \times 10 = 30)$$

Module No.	Question No.	Question	K Level	CO
1	16	<p>Compute the total income of Shri.Rathnam for the assessment year 2025-26, if he is (a) Resident (b) Not Ordinary Resident (c) Non-Resident.</p> <p>Following are the incomes of Shri.Rathnam for the previous year 2024-25:</p> <p>(i) Profit from business in Bangalore Rs.10,000 (ii) Income accrued in India but received in Japan Rs.4,000 (iii) Profit from business in Canada but received in India Rs.5,000 (iv) Income from house property in Karachi received in Bombay Rs.4,000 (e) Profit from business established in England and deposited there, the business being controlled from India Rs.20,000. (f) Income from house property in America and deposited there Rs.2,000 (g) Past untaxed income brought into India during the previous year Rs.10,000</p>	K4	CO1

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2	17	<p>Calculate taxable salary of Mrs. Babita working at Coimbatore. [Population 32 lakhs]</p> <p>(a) Salary Rs.12,000 p.m. (b) DA. @ 100% of salary (c) Employer's contribution to Employee's Recognised Provident Fund-14% of basic salary. (d) Rent-free accommodation (unfurnished)-fair rental value is Rs.80,000 p.a. Expenses on maintenance of garden met by employer Rs.3,000. (e) Interest on Provident Fund balance 13% p.a- Rs.3,900. (f) A car (1.4 Lt. capacity) is provided by employer. All expenses are borne by employer. It is used both for performance of duties and private purposes Car was used by employee for only 11 months during the year (g) She paid professional tax of Rs.1,200. (h) She received Rs.500 p.m. as fixed medical allowance.</p>	K4	CO2																																																								
3	18	<p>Compute the income from profession of Dr.S.K.Kapoor if accounts are maintained on cash/receipt system:</p> <table border="1"> <thead> <tr> <th>Cash Receipts</th> <th>Rs.</th> <th>Cash payments</th> <th>Rs.</th> </tr> </thead> <tbody> <tr> <td>To Visiting fees</td> <td>45,000</td> <td>By Dispensary rent</td> <td>36,000</td> </tr> <tr> <td>To Consultation fees</td> <td>1,25,000</td> <td>By Electricity and water charges</td> <td>6,000</td> </tr> <tr> <td>To Sales of medicines</td> <td>72,000</td> <td>By Telephone expenses</td> <td>6,000</td> </tr> <tr> <td>To Dividends</td> <td>5,000</td> <td>By Salary to nurse and compounder</td> <td>36,000</td> </tr> <tr> <td></td> <td></td> <td>By Depreciation on surgical equipment</td> <td>6,000</td> </tr> <tr> <td></td> <td></td> <td>By Purchase of medicines</td> <td>38,000</td> </tr> <tr> <td></td> <td></td> <td>By Depreciation on X-ray Machine</td> <td>4,000</td> </tr> <tr> <td></td> <td></td> <td>By Income Tax</td> <td>5,500</td> </tr> <tr> <td></td> <td></td> <td>By Donation to Rama Krishna Mission</td> <td>4,000</td> </tr> <tr> <td></td> <td></td> <td>By Motor Car expenses</td> <td>9,600</td> </tr> <tr> <td></td> <td></td> <td>By Depreciation on Car</td> <td>4,800</td> </tr> <tr> <td></td> <td></td> <td>By Balance e/d</td> <td>91,100</td> </tr> <tr> <td></td> <td>2,47,000</td> <td></td> <td>2,47,000</td> </tr> </tbody> </table> <p>Additional information:</p> <ol style="list-style-type: none"> Electricity and water charges include domestic bill of Rs.2,500 Half of motor car expenses are for professional use Telephone expenses include 40% for personal use Opening stock of medicines was Rs.6,000 and closing stock was Rs.4,000 	Cash Receipts	Rs.	Cash payments	Rs.	To Visiting fees	45,000	By Dispensary rent	36,000	To Consultation fees	1,25,000	By Electricity and water charges	6,000	To Sales of medicines	72,000	By Telephone expenses	6,000	To Dividends	5,000	By Salary to nurse and compounder	36,000			By Depreciation on surgical equipment	6,000			By Purchase of medicines	38,000			By Depreciation on X-ray Machine	4,000			By Income Tax	5,500			By Donation to Rama Krishna Mission	4,000			By Motor Car expenses	9,600			By Depreciation on Car	4,800			By Balance e/d	91,100		2,47,000		2,47,000	K5	CO3
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4	19	Explain the provision relating to deduction under section 80C.	K5	CO4																																																								
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