

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 × 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 × 7 = 35)

Module No.	Question No.	Question	K Level	CO
1	11.a.	Explain the term 'Previous year and Assessment year'.	K2	CO1
	11.b.	(OR) 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 is Rs.5,00,000.	K3	CO2
	12.b.	(OR) 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 assessee could not realize rent for two months.		

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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><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: 1. Electricity and water charges include domestic bill of Rs.2,500 2. Half of motor car expenses are for professional use 3. Telephone expenses include 40% for personal use 4. Opening stock of medicines was Rs.6,000 and closing stock was Rs.4,000</p>	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																																																								
5	20	<p>From the following particulars of income and loss of an individual under different heads of income. Set-off losses in the assessment year 2025-26 and find out the gross total income under old tax regime.</p> <table><thead><tr><th></th><th>Rs.</th></tr></thead><tbody><tr><td>Income from house property A</td><td>5,000</td></tr><tr><td>Income from house property B</td><td>(-)8,000</td></tr><tr><td>Income from interest on securities</td><td>20,000</td></tr><tr><td>Income from a cycle business</td><td>(-)20,000</td></tr><tr><td>Profit from speculation business</td><td>20,000</td></tr><tr><td>Loss from short-term capital asset</td><td>6,000</td></tr><tr><td>Long-term capital loss</td><td>25,000</td></tr><tr><td>Long-term capital gain (investments)</td><td>21,000</td></tr></tbody></table>		Rs.	Income from house property A	5,000	Income from house property B	(-)8,000	Income from interest on securities	20,000	Income from a cycle business	(-)20,000	Profit from speculation business	20,000	Loss from short-term capital asset	6,000	Long-term capital loss	25,000	Long-term capital gain (investments)	21,000	K6	CO5																																						
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