

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

**BCom DEGREE EXAMINATION DECEMBER 2025**  
**(Third Semester)**

## Branch – **COMMERCE WITH COMPUTER APPLICATION**

## **INCOME TAX LAW AND PRACTICE**

Time: Three Hours

**Maximum: 75 Marks**

**SECTION-A (10 Marks)**

**Answer ALL questions**

**ALL** questions carry **EQUAL** marks

$$(10 \times 1 = 10)$$

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**SECTION - B (35 Marks)**

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**SECTION - B (35 Marks)**

**Answer ALL questions**

$$(5 \times 7 = 35)$$

ALL questions carry EQUAL Marks (3 x 7 = 33)												
Module No.	Question No.	Question	K Level	CO								
	11.a.	Illustrate the various kinds of assessee.  (OR)										
1	11.b.	Mr.Arun is an Indian citizen. Interpret the residential status for the A/Y 2025-26. Arun's stay in india is as follows  <table border="1"> <tr> <th>Previous year</th> <th>Presence in india</th> </tr> <tr> <td>2024-25</td> <td>185 days</td> </tr> <tr> <td>2023-24</td> <td>15 days</td> </tr> <tr> <td>2022-23</td> <td>26 days</td> </tr> </table> 10 years prior to 2022-23, he was in india for 20 days	Previous year	Presence in india	2024-25	185 days	2023-24	15 days	2022-23	26 days	K2	CO1
Previous year	Presence in india											
2024-25	185 days											
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2022-23	26 days											
2	12.a.	Mr.A is salaried employee working in Delhi. He gives the following details;  <table border="1"> <tr> <td>Salary</td> <td>Rs.</td> </tr> <tr> <td>D.A. [forming part]</td> <td>20,000 p.m.</td> </tr> <tr> <td>HRA</td> <td>10,000 p.m.</td> </tr> <tr> <td>[Rent paid by him Rs.10,000 p.m.]</td> <td>8,000 p.m.</td> </tr> </table> Compute the Taxable HRA.  (OR)	Salary	Rs.	D.A. [forming part]	20,000 p.m.	HRA	10,000 p.m.	[Rent paid by him Rs.10,000 p.m.]	8,000 p.m.	K3	CO2
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	12.b.	Sketch out exempted incomes from House Property.										

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3	13.a.	Mr. Y is a chartered Accountant in Madurai. You are given the income and expenditure account for the year 2024-25. Figure out the income from profession for the AY 2025-26.	<table border="1"> <thead> <tr> <th></th><th>Rs.</th><th></th><th>Rs.</th></tr> </thead> <tbody> <tr> <td>To office rent</td><td>33,000</td><td>By Audit fees</td><td>3,00,000</td></tr> <tr> <td>To salary to staff</td><td>75,000</td><td>By Financial consultancy services</td><td>60,000</td></tr> <tr> <td>To charities</td><td>5,000</td><td>By interest on deposits</td><td>22,000</td></tr> <tr> <td>To Gift to relatives</td><td>6,000</td><td>By Dividend on UTI</td><td>6,000</td></tr> <tr> <td>To Subscription for journals</td><td>2,400</td><td>By Accountancy works</td><td>32,000</td></tr> <tr> <td>To Drawings</td><td>16,000</td><td></td><td></td></tr> <tr> <td>To Car expenses</td><td>24,000</td><td></td><td></td></tr> <tr> <td>To household expenses</td><td>8,600</td><td></td><td></td></tr> <tr> <td>To NSC purchased</td><td>40,000</td><td></td><td></td></tr> <tr> <td>To Net Income</td><td>2,10,000</td><td></td><td></td></tr> <tr> <td></td><td>4,20,000</td><td></td><td>4,20,000</td></tr> </tbody> </table>		Rs.		Rs.	To office rent	33,000	By Audit fees	3,00,000	To salary to staff	75,000	By Financial consultancy services	60,000	To charities	5,000	By interest on deposits	22,000	To Gift to relatives	6,000	By Dividend on UTI	6,000	To Subscription for journals	2,400	By Accountancy works	32,000	To Drawings	16,000			To Car expenses	24,000			To household expenses	8,600			To NSC purchased	40,000			To Net Income	2,10,000				4,20,000		4,20,000	K3	CO3
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Additional information i. Office rent Rs.3,000 paid not recorded ii. Depreciation of car during the year is Rs.6,000 iii. 30% of car expenses are related to personal purpose.																																																					
4	13.b.	(OR)	<p>Compute the long term capital gain from the following. Cost of acquisition Rs. 1,20,000 Year of purchase of unlisted shares 2004-05. Amount of selling price Rs. 35,00,000. Date of selling assets 10.01.2025. CII for 2004-05 is 113 and for 2024-25 is 363.</p>	K4	CO4																																																
		Explore the incomes chargeable u/s 56 (2) under the income from other sources.																																																			
5	14.b.	(OR)	<p>The following are the particulars of income of Mr.P for the previous year ended 31<sup>st</sup> March 2025.</p> <table border="1"> <thead> <tr> <th></th><th>Rs.</th></tr> </thead> <tbody> <tr> <td>Loss from house property</td><td>6,000</td></tr> <tr> <td>Interest received on sundry advance.</td><td>3,000</td></tr> <tr> <td>Cloth business income</td><td>70,000</td></tr> <tr> <td>Share of loss in a firm</td><td>18,000</td></tr> <tr> <td>Loss in speculation</td><td>3,200</td></tr> <tr> <td>Dividends</td><td>5,000</td></tr> <tr> <td>Short term capital gains</td><td>1,500</td></tr> <tr> <td>Long term capital loss</td><td>21,000</td></tr> </tbody> </table> <p>Calculate the gross total income of Mr.P. setting off the different losses against other incomes and state losses, which could be carried forward.</p>		Rs.	Loss from house property	6,000	Interest received on sundry advance.	3,000	Cloth business income	70,000	Share of loss in a firm	18,000	Loss in speculation	3,200	Dividends	5,000	Short term capital gains	1,500	Long term capital loss	21,000	K4	CO5																														
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Shri Anil earned gross total income of Rs.5,00,000 in the previous year 2024-25 and made the following donations during the year. Rs. 10,000 to CM's Earthquake Relief fund Gujarat Rs.15,000 to National foundation for communal Harmony Rs.20,000 to Municipal corporation approved for promotion of family planning. Rs.45,000 to approved institutions Rs.20,000 to Swachh Bharat Kosh.																																																					
Compute the amount of deduction admissible to him u/s 80G for the assessment year 2025-26.																																																					
(OR)																																																					
15.b.	Examine the powers of assessing officers.																																																				

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

(3 x 10 = 30)

Module No.	Question No.	Question	K Level	CO
1	16	<p>Which of the following incomes are taxable when the residential status of Mr. V is i. Resident ii. Not Ordinarily Resident iii. Non-resident</p> <p>i. Income accrued in Canada but received in India Rs.2,000. ii. Rs.5,000 earned in Africa and received there but brought to India. iii. Rs.5,000 earned in India but received in Canada. iv. Rs.10,000 earned and received in Sri Lanka from business controlled from India. v. House property income [computed] from Sri Lanka Rs.2,000. vi. Rs.4,000 was past untaxed foreign income which was brought to India during the previous year. vii. Profits earned from a business in Kanpur Rs.10,000.</p>	K4	CO1

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		Mr.X has two houses. First house, whose municipal valuation is Rs.7,500, is kept by him for his residence and the second house whose municipal valuation is Rs.10,000 has been let out. Following are the expenses relating to these two houses;																																										
2	17	<table border="1"> <thead> <tr> <th></th> <th>House – I Rs.</th> <th>House – II Rs.</th> </tr> </thead> <tbody> <tr> <td>Municipal taxes</td> <td>600</td> <td>1,000</td> </tr> <tr> <td>Land Revenue</td> <td>100</td> <td>125</td> </tr> <tr> <td>Interest on construction loan</td> <td>1,200</td> <td>2,100</td> </tr> <tr> <td>Fire insurance premium</td> <td>150</td> <td>200</td> </tr> <tr> <td>Interest on Mortgage</td> <td>-</td> <td>175</td> </tr> <tr> <td>Collection Charges</td> <td>-</td> <td>45</td> </tr> </tbody> </table> <p>Compute Mr.X's income from house property for the AY 2025-26.</p>		House – I Rs.	House – II Rs.	Municipal taxes	600	1,000	Land Revenue	100	125	Interest on construction loan	1,200	2,100	Fire insurance premium	150	200	Interest on Mortgage	-	175	Collection Charges	-	45	K4	CO2																			
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3	18	Determine the admissible deductions under profits and gains of business or profession.	K4	CO3																																								
4	19	<p>Mr.Ram Patel submitted the following information of his incomes and losses for the year ending 31.3.2025;</p> <table border="1"> <thead> <tr> <th></th> <th>Rs.</th> </tr> </thead> <tbody> <tr> <td>Salary income [computed]</td> <td>50,000</td> </tr> <tr> <td>Income from house property</td> <td></td> </tr> <tr> <td>    House – A (Income)</td> <td>30,000</td> </tr> <tr> <td>    House – B (Loss)</td> <td>40,000</td> </tr> <tr> <td>    House – C (self occupied) Loss</td> <td>28,000</td> </tr> <tr> <td>Income from business</td> <td></td> </tr> <tr> <td>    Cloth Business (Profit)</td> <td>10,000</td> </tr> <tr> <td>    Hardware Business (Loss)</td> <td>50,000</td> </tr> <tr> <td>    Speculative (Profit)</td> <td>12,000</td> </tr> <tr> <td>    Speculative (Loss)</td> <td>17,000</td> </tr> <tr> <td>Capital gains</td> <td></td> </tr> <tr> <td>    Short term (Gain)</td> <td>24,000</td> </tr> <tr> <td>    Short term (Loss)</td> <td>8,000</td> </tr> <tr> <td>    Long term (Loss)</td> <td>18,000</td> </tr> <tr> <td>Other Sources</td> <td></td> </tr> <tr> <td>    Income from betting</td> <td>12,000</td> </tr> <tr> <td>    Loss from card games</td> <td>6,000</td> </tr> <tr> <td>    Income from Card games</td> <td>9,000</td> </tr> <tr> <td>    Interest on securities (Gross)</td> <td>8,000</td> </tr> </tbody> </table> <p>Calculate out the Gross Total Income.</p>		Rs.	Salary income [computed]	50,000	Income from house property		House – A (Income)	30,000	House – B (Loss)	40,000	House – C (self occupied) Loss	28,000	Income from business		Cloth Business (Profit)	10,000	Hardware Business (Loss)	50,000	Speculative (Profit)	12,000	Speculative (Loss)	17,000	Capital gains		Short term (Gain)	24,000	Short term (Loss)	8,000	Long term (Loss)	18,000	Other Sources		Income from betting	12,000	Loss from card games	6,000	Income from Card games	9,000	Interest on securities (Gross)	8,000	K4	CO4
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5	20	Explain the powers of CBDT.	K4	CO5																																								

Z-Z-Z

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