

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)
BCom DEGREE EXAMINATION DECEMBER 2025
(Fifth Semester)

Branch – **CORPORATE SECRETARYSHIP**

TAXATION LAW AND PRACTICE

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

(10 × 1 = 10)

Question No.	Question	K Level	CO
1	Income Tax Act extends to the: (a) whole of India (b) whole of India except Jammu & Kashmir (c) whole of India except Sikkim (d) whole of India except Jammu & Kashmir and Sikkim	K1	CO1
2	Where a resident individual, less than 60 years old, opts to be taxed under the old regime, the maximum amount on which income tax is not chargeable for the Assessment Year 2025-26 is : (a) ₹ 2,00,000 (b) ₹ 2,50,000 (c) ₹ 3,00,000 (d) ₹ 2,40,000	K2	CO1
3	An employee is covered under Payment of Gratuity Act, 1972, the maximum exemption of gratuity shall be : (a) ₹ 10,00,000 (b) ₹ 7,00,000 (c) ₹ 20,00,000 (d) 20 months Salary	K1	CO2
4	A has two house properties. Both are self-occupied. The annual value of : (a) both houses shall be nil (b) one house shall be nil (c) no house shall be nil (d) both houses shall be determined as if these are let	K2	CO2
5	Which of the following taxes are allowed as deduction while computing the business income (a) Wealth tax (b) Income-tax (c) GST (d) None of the above	K1	CO3
6	Which of the following assets is not a capital asset. (a) Land & Buildings (b) Intangible assets (c) Jewellery for personal use (d) Rural agricultural land in India	K2	CO3
7	Which of the following losses is not allowed to be carried forward : (a) loss under the head house property (b) loss from speculation business (c) any loss under the head income from other sources (d) loss on account of owning and maintaining the race horse.	K1	CO4
8	As per section 64(1A) income accruing to a minor shall be clubbed in the income of : (a) father (b) mother (c) father or mother at their option (d) a parent whose income before this clubbing is greater	K2	CO4
9	As per section 139(1), a company shall have to file return of income: (a) when its total income exceeds ₹ 2,50,000 (b) when its total income exceeds the maximum amount which is not chargeable tax (c) in all cases irrespective of any income or loss earned by it. (d) whatever may be its income	K1	CO5
10	The assessee filed his return of income in requisite form without attaching any documents or proof of payment of tax. The return so filed is (a) valid (b) not valid (c) valid but he should file the documents and proof of tax within 15 days of submitting such return (d) valid but he should file the documents and proof of tax within 30 days of submitting such return	K2	CO5

SECTION - B (35 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks

(5 × 7 = 35)

Question No.	Question	K Level	CO
11.a.	Ms. Devisri commences her business on: (i) 1st July 2024 (ii) 1st October 2024 (iii) 1st January 2025. In each case, what period will be treated as her Previous Year for the Assessment Year 2025-26?	K2	CO1
	(OR)		
11.b.	Mr. Anand leaves India for the first time on 16.07.2024 on a visit to England and returns on 04.01.2024. Determine the Residential Status for the Previous Year 2024-25.		

Cont...

12.a.	Mr. Ravi retired on 15.04.2024 after serving 30 years and 11 months. His basic salary was Rs.18,000 p.m. during 2024. His D.A. was Rs.6,000 p.m. which had been increased from Rs.4,000 on 01.10.2023. 50% of his D.A. entered into service benefits. He received Rs.4,00,000 as gratuity which was not covered under the Payment of Gratuity Act. Compute the taxable gratuity.					
(OR)						
12.b.	Mr. Santhanam has three houses A, B and C, all of which are self occupied. The particulars of these are given below.	A Rs.	B Rs.	C Rs.	K3	CO2
	Municipal valuation per annum	2,30,000	1,70,000	2,10,000		
	Fair rent per annum	2,90,000	2,00,000	2,20,000		
	Standard rent per annum	2,42,000	2,30,000	2,10,000		
	Date of completion of Construction	31-03-2019	31-3-2020	31.03.2020		
	Municipal taxes paid during the year	15%	15%	15%		
	Interest on money borrowed for acquisition of house properties	90,000	80,000	70,000		
Compute Income from House Property for the Assessment Year 2025-26.						
13.a.	The Net Profit of Mr. Elango of Madurai as per his Profit and Loss for the year ended current previous year after charging the following items was Rs. 2,40,000.					
		Rs.				
	(a) Interest on Capital	20,000				
	(b) Salary to Staff	1,16,000				
	(c) Office Expenses	3,000				
	(d) Bad Debts written – off	13,000				
	(e) Provisions for Bad Debts	10,000				
	(f) Provisions for Income – tax	16,000				
	(g) Donation	10,000				
	(h) Depreciation	17,000				
	Depreciation allowable as per the Act is only Rs. 12,000. Compute Income from Business.					
(OR)					K3	CO3
13.b.	Mrs. Durga furnishes the following data, compute the Capital Gain for the Assessment Year 2025-26.					
		Rs. in lakhs				
	Site purchased in 1985	0.33				
	Market Value of site on 1-4-2001	0.75				
	Ground Floor : Cost of construction in 2001	1.50				
	First Floor : Cost of construction in 2005	2.66				
	Sale Consideration received on 01.10.2024	40.00				
	Investment in new property on 01.01.2025	30.00				
Assume the property sold and new property acquired are for residential purpose.						
14.a.	The following are the particulars of income of Mr. 'Mohan' for the Assessment Year 2025-26.					
		Rs.				
	Loss from house property	6,000				
	Interest received on advances	3,000				
	Textile business income	70,000				
	Share of loss of a firm	18,000				
	Loss in speculation	3,200				
	Dividends	5,000				
	Short - term Capital Gains	1,500				
	Long - term Capital Gains	21,000				
Compute Gross total Income of Mr. Mohan setting of the different losses against other Income and state the losses which could be carried forward.						
(OR)						
14.b.	Mr. Arasan furnishes the following particulars for the Previous Year ending 31st March 2025. Compute deduction u/s 80C for the Assessment Year 2025-26					
		Rs.				
	LIC Policy on Own life (sum assured Rs. 20,000)	6,000				
	LIC on the life of his wife	2,000				
	LIC on the life of his Major son (not dependant on A)	2,500				
	LIC on the life of dependent brother	2,000				
	Contribution to a Recognised Provident Fund	20,000				
	Amount deposited in PPF Account	15,000				
	Contribution to ULIP	3,000				
	Repayment of housing loan taken from LIC (Principal Rs.23,000 Interest Rs. 40,000)	63,000				
	Subscription to units of a Mutual fund notified u/s 10(23D)	45,000				
Amount incurred on the education of (a) Child X Rs. 14,000 (b) Child Y Rs. 7,000 (c) Child Z Rs. 5,000						
He had taken the loan from LIC for construction of a residential house property which was completed in 2022 and which is being utilised by Arasan for his own residence.					K4	CO4

15.a.	Who are required to file the Return of Income compulsorily ?	K4	CO5
	(OR)		
15.b.	List out any seven powers of Assessing officer		

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

(3 × 10 = 30)

Question No.	Question	K Level	CO
16	What are the different types of assessee?	K4	CO1
17	Mr. Nataraj, Manager of a public Ltd. Co., has furnished the following particulars. Compute his gross salary. (a) Basic Salary at Rs.90,000 p.m. (b) DA (75% in forming part) Rs. 50,000 p.m. (c) Commission on purchase Rs. 15,000 p.a. (d) Special allowance – Rs. 3,000 p.m. (e) Contribution to URPF – 15% of salary (f) Employee an equivalent contribution to URPF (g) Interest and URPF credited at 13% Rs. 3,900	K4	CO2
18	From the following particulars of Miss. Monisha for the Previous Year ended 31st March, 2025. Rs. Directors fees from a Company 20,000 Interest on Bank Deposits 6,000 Income from Undisclosed Sources 24,000 Winning from Lotteries (Net) 42,000 Royalty on a Book written by her 16,000 Interest on loan given to a relative 14,000 Honorarium for giving lectures in functions 10,000 Interest on Tax Free Debentures of a Company (listed - Net) 9,000 Dividend on Shares 12,800 Interest on Post Office Savings Bank A/c 1,000 Interest on Tax free Government Securities 4,400 She paid Rs.40 for collection of dividend and Rs.2,000 for typing the manuscript of book written by her, compute Income from Other Sources.	K6	CO3
19	Mr. Charles, an Indian resident, furnishes the following particulars of his income for the Assessment Year 2025-26. You are required to deal the Set Off and Carry Forward of Losses. Rs. (i) Income from Securities (gross) 10,000 (ii) Income from Residential House (computed) 5,000 (iii) Profits from Rayon Business 25,000 (iv) Income from an Agency Business 2,000 (v) Speculation Income 2,000 (vi) Short term Capital Gain 4,000 (vii) Long term Capital Gain 9,400 The carry forward items from the Assessment Year 2023-24 are : (i) Loss from Hosiery Business (discontinued in 2022-23) 4,000 (ii) Loss in Agency Business 3,000 (iii) Loss from Rayon Business 3,000 (iv) Speculation Loss 4,000 (v) Short term Capital Loss 6,000 (vi) Long term Capital Loss (of previous year 2022-23) 6,500 Current Year depreciation for Rayon Business is Rs. 500	K6	CO4
20	What is meant by best Judgement Assessment? What its Type when it is Made? What are its Consequences?	K5	CO5

Z-Z-Z

END

