

## DIRECT TAX

**Time: Three Hours**

**Maximum: 75 Marks**

**SECTION-A (10 Marks)**

**Answer ALL questions**

**ALL** questions carry **EQUAL** marks      (10 × 1 = 10)

<b>Module No.</b>	<b>Question No.</b>	<b>Question</b>	<b>K Level</b>	<b>CO</b>
<b>1</b>	<b>1</b>	Choose whether HUF is ----- in the eyes of IT law. a. Group                                      b. Person c. Organization                                d. firm	K1	CO1
	<b>2</b>	Income of previous year is taxable in ----- a. previous year                                b. financial year c. accounting year                             d. assessment year	K2	CO2
<b>2</b>	<b>3</b>	Rent Free House is a ----- a. Allowance                                    b. Perquisite, c. Profit in lieu of salary                    d. wages	K1	CO1
	<b>4</b>	For Computing GAV, ----- is not applicable. a. NAV                      b. FRV                      c. MRV                      d. Annual rent	K2	CO2
<b>3</b>	<b>5</b>	Scientific research expenditure is ----- a. allowed                                      b. disallowed c. expressly disallowed                      d. expressly allowed	K1	CO1
	<b>6</b>	Rate of depreciation on furniture is ----- a. 10%                      b. 15%                      c. 20%                      d. 25%	K2	CO2
<b>4</b>	<b>7</b>	Stock in trade is -----, a. current asset                                  b. fixed asset c. financial asset                                d. capital asset	K1	CO1
	<b>8</b>	7% capital investment bond is -----, a. Taxable                                      b. Exempted c. Deducted                                      d. allowed	K2	CO2
<b>5</b>	<b>9</b>	Loss from speculative business can be carried forward for ----- years. a. 8                              b. 4                              c. 3                              d. 2	K1	CO1
	<b>10</b>	Payment of tuition fees is eligible for deduction u/s 80C for -----children. a. 1                              b. 2                              c. 3                              d. any no	K2	CO2

**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.	Organize the provisions regarding Indian income and foreign income.	K3	CO3
	(OR)			
	11.b.	Discuss the incidence of tax for an individual resident.		
2	12.a.	Name the perquisites which are taxable for specified employees under salary income.	K3	CO3
	(OR)			
	12.b.	Mr. Arun is working in Ramco Ltd at Ramnad (population 20 lakhs). Compute his taxable salary with the given information. Basic Salary – 30,000 p.m D.A - 12,000 p.m Bonus - 8,000 p.a Commission - 6,000 ( 2% on turnover) Rent free accommodation- FRV is 4,000 p.m He is provided with a small car for his personal and official use and all expenses of running, maintenance and driver are met by the company.		

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3	13.a.	<p>From the following P&amp;L A/c of Mr. Santhosh, compute his taxable business income .</p> <table><tr><th>Particulars</th><th>Amount in Rs</th><th>Particulars</th><th>Amount in Rs.</th></tr><tr><td>Opening stock(overvalued by 20%)</td><td>30,000</td><td>Sales</td><td>120,000</td></tr><tr><td>Wages</td><td>20,000</td><td>Closing stock (overvalued by 25%)</td><td>40,000</td></tr><tr><td>Salary</td><td>25,000</td><td>Income from Capital gain</td><td>20,000</td></tr><tr><td>Advertisement</td><td>15,000</td><td>Bad debts recovered (disallowed earlier)</td><td>8,000</td></tr><tr><td>Provision for bad debts</td><td>5,000</td><td></td><td></td></tr><tr><td>Gift</td><td>3,000</td><td></td><td></td></tr><tr><td>Net profit</td><td>90,000</td><td></td><td></td></tr><tr><td></td><td>188000</td><td></td><td>188000</td></tr></table>	Particulars	Amount in Rs	Particulars	Amount in Rs.	Opening stock(overvalued by 20%)	30,000	Sales	120,000	Wages	20,000	Closing stock (overvalued by 25%)	40,000	Salary	25,000	Income from Capital gain	20,000	Advertisement	15,000	Bad debts recovered (disallowed earlier)	8,000	Provision for bad debts	5,000			Gift	3,000			Net profit	90,000				188000		188000	K4	CO4
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13.b.	<p>From the following receipts and payments account of Dr. Sundar, compute his professional income.</p> <p><b>Receipts</b></p> <p>Consultation fees - 24,00,000 Visiting fees - 3,60,000 Sale of medicine - 11,40,000 Gift from patients - 50,000 Gift from relatives - 60,000</p> <p><b>Payments</b></p> <p>establishment expenses - 30,000 rent of clinic - 1,20,000 staff salary - 4,80,000 books - 10,000 electricity - 60,000 investment in residential property - 10,00,000</p>																																							
4	14.a.	List down the provisions relating to transfer not regarded as transfer.	K4	CO4																																				
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	14.b.	<p>Mr. Raj received the following incomes during this previous year. Compute his income from other sources.</p> <p>Family Pension received – Rs. 30,000 Royalty amount received – Rs. 15,000 Honorarium received for lectures – Rs. 3,000 Director's fee – Rs. 5,000 Expenses incurred to earn royalty – Rs. 2,000</p>																																						
5	15.a.	Determine the provisions relating to aggregation of income.	K5	CO5																																				
	(OR)																																							
	15.b.	<p>Mr. Ravi has submitted the following income particulars. Compute his gross total income.</p> <p>Income from Salary – Rs. 45,000 Short term capital gain – Rs. 60,000 Long term capital loss – Rs. 42,000 Loss from house property – Rs. 30,000 Income from other sources – Rs. 6,000 B/F unabsorbed depreciation (2022-23) – 10,000</p>																																						

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**SECTION -C (30 Marks)**

Answer ANY THREE questions

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

Module No.	Question No.	Question	K Level	CO
1	16	<p>Following are the incomes of Mrs. Arul for the P.Y. 2024-25 (Amount in Rs.)</p> <p>a) Profit from business in Chennai – 20,000</p> <p>b) Income accrued in India but received in Singapore – 4,000</p> <p>c) Profit from business in USA but received in India – 5,000</p> <p>d) Income from house property in Tiruchi received in Kolkatta – 4,000</p> <p>e) Profit from business abroad, controlled from India – 15,000</p> <p>f) Income from house property in Srilanka and deposited there – 2,000</p> <p>g) Past untaxed income brought into India – 12,000</p> <p>Compute the total income of Mrs. Arul for the A.Y 2025-26 if he is a)</p> <p>Resident b) Not ordinary resident c) Non-Resident</p>	K4	CO4
2	17	<p>Mr. Mohan is the owner of a big house consisting of 3 equal and independent units. Unit 1 is let out at a rent of Rs. 10,000 p.m. Unit 2 is being used for his own business. Unit 3 is self occupied.</p> <p>MRV – Rs. 1,50,000</p> <p>FRV – Rs. 1,80,000</p> <p>Standard Rent – Rs. 2,40,000</p> <p>Municipal taxes – Rs. 22,500</p> <p>Repairs – Rs. 15,000</p> <p>Interest on borrowed capital – Rs. 1,50,000</p> <p>Unit 1 remained vacant for 2 months and 1 month rent could not be realized from the tenant. Determine his income from house property for the P.Y. 2024-25</p>	K4	CO4
3	18	List down the deductions expressly disallowed in business income.	K4	CO4
4	19	<p>Mr. Amal received the following incomes in this financial year. Compute his income from other sources.</p> <p>Directors' fees – Rs. 2,000</p> <p>Income from agricultural land in Srilanka – Rs. 5,000</p> <p>Ground rent for land in Mysore – Rs. 10,000</p> <p>Interest on Post office savings bank account – Rs. 100</p> <p>Interest on deposits with IFCI – Rs. 500</p> <p>Dividend from foreign company – Rs. 700</p> <p>Rent from house (sub-let) – Rs. 26,250</p> <p>Rent paid by him on sub-let house – Rs. 13,000</p> <p>Winnings from horse race – Rs. 12,300</p> <p>Interest on securities – Rs. 4,000</p>	K5	CO5
5	20	<p>Mr. Vicky had furnished the following details regarding his income received during the previous year 2024-25. Ascertain his total income and tax liability under new tax regime.</p> <p>a) Mr. Vicky retired on 31.12.24 at the age of 58 years after putting 28 years 8 months of service from TVS Ltd. Chennai</p> <p>b) He was paid salary of Rs. 50,000 p.m., D.A. (Enters service) @ Rs. 20,000 p.m. and HRA @ Rs. 10,000 p.m. He paid rent of Rs. 15,000 p.m.</p> <p>c) He was paid a gratuity of Rs. 9,00,000 and it is not covered under payment of gratuity Act. His average salary in this regard was Rs. 48,000.</p> <p>d) During the previous year he had incurred a business loss of Rs. 1,00,000.</p> <p>e) His contribution to RPF- Rs 2,40,000.</p>	K5	CO5

