

PSG COLLEGE OF ARTS & SCIENCE (AUTONOMOUS)

BCom DEGREE EXAMINATION DECEMBER 2025
(Fifth Semester)

Branch – COMMERCE (PROFESSIONAL ACCOUNTING)

DIRECT TAX

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer ALL questions

ALL questions carry **EQUAL** marks $(10 \times 1 = 10)$

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.	Organize the provisions regarding Indian income and foreign income. (OR)	K3	CO3
	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. (OR)	K3	CO3
	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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		From the following P&L A/c of Mr. Santhosh, compute his taxable business income .																																						
	13.a.	<table border="1"> <thead> <tr> <th>Particulars</th><th>Amount in Rs</th><th>Particulars</th><th>Amount in Rs.</th></tr> </thead> <tbody> <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</td><td>40,000</td></tr> <tr> <td>Salary</td><td>25,000</td><td>(overvalued by 25%)</td><td></td></tr> <tr> <td>Advertisement</td><td>15,000</td><td>Income from Capital gain</td><td>20,000</td></tr> <tr> <td>Provision for bad debts</td><td>5,000</td><td>Bad debts recovered</td><td></td></tr> <tr> <td>Gift</td><td>3,000</td><td>(disallowed earlier)</td><td>8,000</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> </tbody> </table>	Particulars	Amount in Rs	Particulars	Amount in Rs.	Opening stock(overvalued by 20%)	30,000	Sales	120,000	Wages	20,000	Closing stock	40,000	Salary	25,000	(overvalued by 25%)		Advertisement	15,000	Income from Capital gain	20,000	Provision for bad debts	5,000	Bad debts recovered		Gift	3,000	(disallowed earlier)	8,000	Net profit	90,000				188000		188000		
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	13.b.	<p>From the following receipts and payments account of Dr. Sundar, compute his professional income.</p> <p>Receipts</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>Payments</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>																																						
	14.a.	List down the provisions relating to transfer not regarded as transfer.																																						
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4	14.b.	Mr. Raj received the following incomes during this previous year. Compute his income from other sources.	K4	CO4																																				
		<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>																																						
	15.a.	Determine the provisions relating to aggregation of income.																																						
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5	15.b.	Mr. Ravi has submitted the following income particulars. Compute his gross total income.	K5	CO5																																				
		<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 $(3 \times 10 = 30)$

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 b) Income accrued in India but received in Singapore – 4,000 c) Profit from business in USA but received in India – 5,000 d) Income from house property in Tiruchi received in Kolkatta – 4,000 e) Profit from business abroad, controlled from India – 15,000 f) Income from house property in Srilanka and deposited there – 2,000 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) a) 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 FRV – Rs. 1,80,000 Standard Rent – Rs. 2,40,000 Municipal taxes – Rs. 22,500 Repairs – Rs. 15,000 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 Income from agricultural land in Srilanka – Rs. 5,000 Ground rent for land in Mysore – Rs. 10,000 Interest on Post office savings bank account – Rs. 100 Interest on deposits with IFCI – Rs. 500 Dividend from foreign company – Rs. 700 Rent from house (sub-let) – Rs. 26,250 Rent paid by him on sub-let house – Rs. 13,000 Winnings from horse race – Rs. 12,300 Interest on securities – Rs. 4,000</p>	K5	COS
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 b) He was paid salary of Rs. 50,000 p.m., D.A. (Enters service) @ Rs. 20,000 p.m. and HRA @ Rs. 10000 p.m. He paid rent of Rs. 15,000 p.m. 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. d) During the previous year he had incurred a business loss of Rs. 1,00,000. e) His contribution to RPF- Rs 2,40,000.</p>	K5	COS

