

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION DECEMBER 2025

(Third Semester)

Common to Branches – COMMERCE/ E-COMMERCE/ COMMERCE (A&F)/ COMMERCE
(RM)/ COMMERCE(FS)/ COMMERCE (FT)/ COMMERCE (BPS)/ COMMERCE (B&I)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	The basic objective of taxation is a) To procure resources b) To provide incentives to save c) To check inflation d) To achieve in reduction of consumption of goods	K1	CO1
	2	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	Salary received by a member of parliament is a) Taxable as salary income b) Exempt from tax c) Taxable as income from other sources d) None of these	K1	CO2
	4	The basis of charge of Tax on Income from House Property is a) Rental Value b) Annual Value c) Municipal value d) Market value	K2	CO2
3	5	Bad debts allowed earlier and recovered later on is a) Exempted income b) Income from other sources c) Non-business income d) Business Income	K1	CO3
	6	Income from sale of house hold furniture is a) Short term capital gain b) Long term capital gain c) Exempted capital gain d) Taxable capital gain	K2	CO3
4	7	Which of the following gifts is taxable? a) Gift in kind from relatives b) Gift from wife c) Gift from son d) Gift from office colleague	K1	CO4
	8	Business loss cannot be set-off against a) Salary Income b) Business Income c) Capital gain d) House property income	K2	CO4
5	9	The highest Administrative Authority for Income Tax in India is a) Finance Minister b) CBDT c) President of India d) Director of Income Tax	K1	CO5
	10	Determining the tax liability is called a) Scrutiny b) Enquiry c) Assessment d) Evaluation	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.	Define Gross Total Income. Examine the procedure to compute it.	K4	CO1
		(OR)		
	11.b.	Mr. Vasu, a foreign citizen, (not of Indian origin) comes to India on 25.03.23, and it was his first trip to India in the last twenty years. He left India for Germany on 01.10.23 for business purpose. On 01.03.24 he came back. Interrupt his residential status for the P.Y. 2023-24.		
2	12.a.	Compute the taxable HRA of Mr. Vijay who is working in Chennai. Basic salary Rs.3,000 pm, HRA Rs. 700 pm, Rent paid Rs. 400 pm.	K3	CO2
		(OR)		
	12.b.	From the following details, calculate the Net annual value for the P.Y. 2023-24. Rent received Rs.5,000 p.m. Municipal value Rs.36,000 Municipal tax @ 10% of MV (Tenant paid 50% of Municipal tax) Date of completion of house let 01.06.2023		

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3	13.a.	Net profit after charging the following expenses is Rs.50,000. Calculate the taxable income from business. 1. Income tax Rs.10,000, Wealth Tax Rs.5,000 and Sales tax Rs.7,000 2. Drawings Rs.15,000 3. Under valuation of Opening Stock Rs.6,000 4. Under Valuation of Closing Stock Rs.8,000	K3	CO3																		
	(OR)																					
	13.b.	Mr. X purchases a house property for Rs. 26,000 on 10 th May 1962. He gets the first floor of the house constructed in 1967-68 by spending Rs. 40,000. He dies on 12 th September 2003. The property is transferred to Mrs. X by his will. Mrs. X spends Rs. 80,000 and Rs. 26,700 during 2006-07 and 2008-09 respectively for reconstruction of the property. Mrs. X sells the house property for Rs. 95,00,000 on 15 th March 2024 (brokerage paid by Mrs. X is Rs. 41,500). The fair market value of house on 1 st April 2001 is Rs. 4,60,000. Calculate the amount of taxable capital gain if CII for 2006-07 Rs. 122, for 2008-09 is Rs. 137, for 2023-24 Rs. 348, for 2001-02 Rs. 100, for 2003-04 is Rs. 109.																				
4	14.a.	Compute 'Income from other sources' from the following information for the financial year 2023-2024.	K3	CO4																		
		<table><tr><td>i. Amounts won from:</td><td></td></tr><tr><td>Lottery</td><td>80,000</td></tr><tr><td>Betting on Horse Racing</td><td>8,000</td></tr><tr><td>ii. Amounts received from:</td><td></td></tr><tr><td>Lottery</td><td>63,000</td></tr><tr><td>Betting on Horse Racing</td><td>42,000</td></tr><tr><td>iii. Income from:</td><td></td></tr><tr><td>Lottery</td><td>1,800</td></tr><tr><td>Betting on Horse Racing</td><td>1,000</td></tr></table>			i. Amounts won from:		Lottery	80,000	Betting on Horse Racing	8,000	ii. Amounts received from:		Lottery	63,000	Betting on Horse Racing	42,000	iii. Income from:		Lottery	1,800	Betting on Horse Racing	1,000
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14.b.	Determine the Tax liability of the Income of an Individual Rs. 50,00,000.																					
5	15.a.	Briefly explain the powers of Assessing Officer.	K5	CO5																		
	(OR)																					
	15.b.	Interpret the procedures in Regular Assessment.																				

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	Explain any ten incomes exempted from Tax U/S 10.	K5	CO1
2	17	Mr. Saravanan, an employee of Madurai [Population 15 lakhs] based company provided the following particulars of his salary income. Compute his taxable salary for the P.Y. 2023-24. i. Basic salary – 12,000 p.m. ii. Profit bonus – 12,000 iii. Commission on turnover achieved by Mr. Saravanan – 42,000 iv. Entertainment allowance – 2,000 p.m. v. Club facility – 6,000 vi. Transport allowance – 1,800 vii. Free use of car of more than 1600 cc. capacity for both personal and official purposes, expenses met by employer. viii. Rent free house provided by employer. Lease rent paid by employer – 6,000 p.m. ix. Free education facility for three children of the employee; (Bills issued in the name of employer) – 25,000 x. Gas, water and electricity bills issued in the name of employee but paid by employer – 16,800	K4	CO2

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3	18	From the following P&L account of Mr. Nathan, Compute his income from business for the year ended 31 st March 2024.	K3	CO3																																																								
		<table><tr><th>Particulars</th><th>Rs.</th><th>Particulars</th><th>Rs.</th></tr><tr><td>To opening stock</td><td>36,000</td><td>By Sales</td><td>1,25,000</td></tr><tr><td>To purchases</td><td>65,000</td><td>By closing stock</td><td>75,000</td></tr><tr><td>To wages</td><td>4,000</td><td>By sundry receipts</td><td>15,000</td></tr><tr><td>To salaries</td><td>12,000</td><td>By Gift from father</td><td>10,000</td></tr><tr><td>To General expenses</td><td>24,000</td><td>By commission received</td><td>34,000</td></tr><tr><td>To income tax</td><td>6,000</td><td>By dividend</td><td>16,000</td></tr><tr><td>To rent</td><td>4,400</td><td></td><td></td></tr><tr><td>To donation</td><td>2,600</td><td></td><td></td></tr><tr><td>To Depreciation of car</td><td>1,200</td><td></td><td></td></tr><tr><td>To car expenses</td><td>1,500</td><td></td><td></td></tr><tr><td>To wealth tax</td><td>3,000</td><td></td><td></td></tr><tr><td>To Net Profit</td><td>1,15,300</td><td></td><td></td></tr><tr><td></td><td>2,75,000</td><td></td><td>2,75,000</td></tr></table>			Particulars	Rs.	Particulars	Rs.	To opening stock	36,000	By Sales	1,25,000	To purchases	65,000	By closing stock	75,000	To wages	4,000	By sundry receipts	15,000	To salaries	12,000	By Gift from father	10,000	To General expenses	24,000	By commission received	34,000	To income tax	6,000	By dividend	16,000	To rent	4,400			To donation	2,600			To Depreciation of car	1,200			To car expenses	1,500			To wealth tax	3,000			To Net Profit	1,15,300				2,75,000		2,75,000
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i. General expenses include Rs. 1,250 being spent for Mr. Nathan's medical expenses																																																												
ii. Motor car was used 1/3 rd for personal purposes.																																																												
iii. Wages include Rs.200 p.m. for the Motor car driver.																																																												
iv. Closing stock is overvalued by Rs. 5,000																																																												
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4	19	Sir John, a resident individual, provides the following information relevant to the previous year ending March 31, 2024:	K4	CO4																																																								
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Figure out the Gross Total Income for the AY: 2024-25.																																																												
5	20	Summarize the various powers of CBDT.	K5	CO5																																																								

