23CMA413N

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION MAY 2026
(Fourth Semester)

Branch – **COMMERCE (COST & MANAGEMENT ACCOUNTING)**

DIRECT TAXATION – II

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 relationship of a HUF arises from (a) Contract. (b) Agreement. (c) Status. (d) Mutual understanding.	K1	CO1
	2	Which of the following is correct regarding HUF? (a) A wife automatically becomes a coparcener in her husband's HUF. (b) A HUF can be formed with just a husband and wife. (c) A daughter remains a coparcener in her father's HUF even after marriage. (d) Only male members can be coparceners in a HUF.	K2	CO1
2	3	Any corporation by or under any Central, State or Provincial Act or a Government Company as defined in the Companies Act is called (a) Public Sector Company. (b) Joint company. (c) Private Sector company. (d) Provincial Company.	K1	CO2
	4	Which of the following is called as Concealment of income or false claims to reduce tax liability, ________. (a) Tax evasion. (b) Tax planning. (c) Tax avoidance. (d) Tax management.	K2	CO2
3	5	Identify the primary objective of the TDS mechanism _____. (a) Increase the number of taxpayers. (b) Collect tax at the source of income generation. (c) Reduce the overall tax burden on individuals. (d) Offer a refund mechanism for excess tax paid.	K1	CO3
	6	Which of the following is relevant TDS on salary ? (a) Maximum marginal rate of tax. (b) Fixed rate of 10%. (c) Fixed rate of 20%. (d) Average rate of income tax based on the slab applicable to the employee.	K2	CO3
4	7	Who will be designated as Income Tax Officer ? (a) Assessing Officer. (b) Tax Recovery Officer. (c) Joint Commissioner. (d) Chief Commissioner.	K1	CO4
	8	Which of the following Act is constituted under The Central Board of Direct Taxes (CBDT) ? (a) Income Tax Act, 1961. (b) Central Board of Revenue Act, 1963. (c) Finance Act. (d) Taxation Laws (Amendment) Act.	K2	CO4

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5	9	Which of the following is applicable to ICDS? (a) All persons. (b) All persons following the cash system of accounting. (c) All persons following the mercantile system of accounting. (d) All persons whose turnover exceeds a specified limit.	K1	CO5
	10	Which of the following deals with ICDS III ? (a) Tangible Fixed Assets. (b) Construction Contracts. (c) Revenue Recognition. (d) Government Grants.	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.	Explain Rates of Income tax for individuals for the assessment year 2025-2026.	K2	CO1
		(OR)		
	11.b.	What is HUF? Enumerate the Advantages and disadvantages of HUF.		
2	12.a.	Outline the Difference between Corporate Tax and Income Tax.	K3	CO2
		(OR)		
	12.b.	Discuss about the Dividend distribution tax.		
3	13.a.	What is E-Filing? Explain the advantages.	K2	CO3
		(OR)		
	13.b.	How are the Returns e-TDS and e-TCS prepared?		
4	14.a.	Outline the powers of Commissioner of Income Tax.	K1	CO4
		(OR)		
	14.b.	What are the rights of Income Tax Authority u/s 133A?		
5	15.a.	What is the method to be followed for valuation of WIP under ICDS III?	K2	CO5
		(OR)		
	15.b.	What is contract cost? Whether provision for liquidated damages, warranty costs form part of contract costs?		

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	Distinguish between an Association of Persons (AOP) and a Body of Individuals (BOI).	K4	CO1
2	17	Explain the various classification corporate taxation.	K5	CO2
3	18	Explain the procedure for claiming refund of taxes.	K5	CO3
4	19	What is Best Judgment Assessment? What are the circumstances under which it can be made?	K1	CO4
5	20	Explain the effects of changes in foreign exchange rates.	K2	CO5

Z-Z-Z END