**23CRM309N/23FSU309N/23FTU309N/ 23BPU309N**

**PSG COLLEGE OF ARTS & SCIENCE**
(AUTONOMOUS)

**BCom DEGREE EXAMINATION MAY 2026**
(Third Semester)

Common to Branches – **COMMERCE (RM)/COMMERCE(FS)/COMMERCE(FT)/ COMMERCE(BPS)**

# 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 | Which is the basic source of Income tax law?<br>a) Income Tax Act 1961 b) Court orders<br>c) Income Tax Act 1956 d) Circulars | K1 | CO1 |
| | 2 | For how many days stay is India is must for an Individual who wants to be a resident of India u/s 6 (i) (a)?<br>a) 365 b) 730 c) 182 d) 729 | K2 | CO1 |
| 2 | 3 | What is the maximum amount of standard deduction available for salary income under old regime?<br>a) Rs. 20,000 b) Rs. 30,000 c) Rs. 50,000 d) Rs. 80,000 | K1 | CO2 |
| | 4 | What is the rate of Standard deduction u/s 24 for House property income?<br>a) 20% b) 50% c) 15% d) 30% | K2 | CO2 |
| 3 | 5 | Which is a allowed expense while computing the business income?<br>a) Income Tax b) Staff Salaries c) Life insurance premium d) Wealth tax | K1 | CO3 |
| | 6 | To claim exemption under 54EC, an assessee has to invest in which of the following?<br>a) House b) Land c) Jewellary d) Bonds of NHAI | K2 | CO3 |
| 4 | 7 | Under which head the income from subletting of house is included?<br>a) House property b) Income from other source<br>c) Profits and gains d) Capital Gain | K1 | CO4 |
| | 8 | For how many years an unabsorbed depreciation can be carried forward for set off?<br>a) 8 b) 14 c) Unlimited d) 4 | K2 | CO4 |
| 5 | 9 | Which is the highest administrative authority in India?<br>a) Finance Minister b) CBDT<br>c) President of India d) Director of Income Tax | K1 | CO5 |
| | 10 | Under the Income Tax Law, how many types of Assessments carried on?<br>a) 1 b) 2 c) 3 d) 4 | 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. | Mr.Raghu went to Switzerland for a course on 5th August 2024 and came back to India on 25th February 2025. His family remained in India. He had never been out of India before. What is his residential status for the year ending 31st March 2025? | K2 | CO1 |
| | | (OR) | | |
| | 11.b. | Mr. Anu left India for the first time on 25.04.2024 and came back to India on 25.3.2025. Compute his residential status for the previous year 2024-25. | K2 | CO1 |
| 2 | 12.a. | Compute gross salary from the following for each situation separately:<br>Salary Rs.30,000 p.m Dearness Allowance Rs.6,000 p.m<br>CCA Rs.1,000 p.m House Rent Allowance Rs.8,000 p.m<br>Commission on turnover achieved by him Rs.40,000<br>Situation:<br>1. Living in own house<br>2. Living in rented house at Mumbai and DA (enters) and rent paid is Rs.7,000 p.m<br>3. Living in rented house at Shimla and DA (does not enters) and rent paid is Rs.10,000 p.m | K2 | CO2 |
| | | (OR) | | |

**Cont…**

**12.b.** Compute the income from House property of Ms.Akila for the assessment year 2025-26 from the particulars given below: (K2, CO2)

| Particulars | House A | House B |
|---|---|---|
| Nature of Occupation | Self occupied | Let out |
| Annual rent | Nil | 1,72,000 p.a |
| Standard rent | 5,00,000 p.a | 1,50,000 p.a |
| MRV | 4,90,000 p.a | 1,60,000 p.a |
| FRV | 5,00,000 p.a | 1,80,000 p.a |
| Municipal Tax | 49,000 p.a | 16,000 p.a |
| Unrealized rent | Nil | 6,000 |
| Interest on money borrowed during 1998-99 | 36,000p.a | 48,000p.a |

**3**

**13.a.** Compute business income from the following particulars related to Mr.Arul for the previous year 2024-25. (K3, CO3)

| | Rs. | | Rs. |
|---|---|---|---|
| To stationary and postage | 5700 | By Gross profit | 75,000 |
| To repairs and renewals | 1,000 | By rent from HP | 12,000 |
| To Trade expenses | 2,650 | By dividends (net) | 8,000 |
| To salaries to staff | 15,000 | | |
| To house tax | 1,200 | | |
| To discount and allowances | 1,600 | | |
| To advertisement | 3,000 | | |
| To donations | 3,100 | | |
| To LIC Premium (self) | 2,500 | | |
| To gifts and presents | 1,000 | | |
| To audit fees | 1,950 | | |
| To charities | 2,600 | | |
| To wealth tax | 2,200 | | |
| To interest on capital | 2,400 | | |
| To net profit | 49,100 | | |
| | 95,000 | | 95,000 |

Additional Information:
i) Salary include Rs.4,000 drawn by owner himself
ii) Gifts and presents were given to close relatives

(OR)

**13.b.** From the particulars given by Mr.Krishna, compute the taxable capital gain for the assessment year 2025-26: C.I.I for 2024-25 is 363, 2001-02 is Rs.100, 2002-03 is 105 and 2005-06 is 117. (K3, CO3)

| Asset | Date of Purchase | Cost (Rs.) | Date of Sale | Sale price (Rs.) | Expenses (Rs.) |
|---|---|---|---|---|---|
| Govt.Securities | 1.10.2023 | 10,000 | 30.06.2024 | 15,000 | 200 |
| Furniture (WDV on 1.4.2023 Rs.4,000) | 15.02.2003 | 5,000 | 20.02.2025 | 3,000 | - |
| Land (FMV on 1.4.2001 Rs.60,000) | 10.01.1992 | 12,000 | 06.01.2024 | 2,00,000 | 1,000 |
| House | 01.12.2005 | 80,000 | 05.05.2024 | 4,00,000 | 2,000 |

**4**

**14.a.** Shri.Dheenahad the following investments during the previous year 2024-25. (K3, CO4)

Rs.11,000 10% Karnataka State Govt Loan
Rs. 30,000 13.5% Debentures of Lakshmi Machine Tools (Listed)
Rs. 35,000 11% Securities of Sugar Company (Not listed )
Rs. 36,000 10% Tax- free Commercial Securities (unlisted)
Rs. 3,580 received as interest on Tamil Nadu Govt Securities
Rs. 4,500 received as Interest on Securities of Paper Mill (Not listed)
Rs. 4,500 received as interest on Securities of Textile Co (listed)
His other incomes are :
(i) Winnings from Lottery Rs, 25,000
(ii) Income from Agriculture in Malaysia Rs. 10,000
(iii) Winnings from Horse race Rs. 15,000
(iv) Interest on post office savings Rs.2,000
Find out his taxable income from other sources for the A.Y. 2025-26.

(OR)

**14.b.** Write a brief note on set-off and carry forward of losses. (K2, CO4)

**5**

**15.a.** Sketch the powers of Assessing Officer. (K2, CO5)

(OR)

**15.b.** Explain the process of e-filing. (K2, CO5)

**SECTION -C (30 Marks)**

Answer **ANY THREE** questions

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

<table>
<tr><th>Module No.</th><th>Question No.</th><th>Question</th><th>K Level</th><th>CO</th></tr>
<tr><td>1</td><td>16</td><td>Compute the total income of Ms.Neeta for the assessment year 2025-26 if she is (i) Ordinary resident (ii) Not ordinary resident (iii) Non resident<br>The incomes of the previous year 2024-25are :<br>(i) Income from business in Noida Rs.7,000.<br>(ii) Income accrued in India but received in Iran Rs.6,000.<br>(iii) Profit from Business in Switzerland received in India Rs.5,000.<br>(iv) Income from House property in Sweden received in India Rs.4,000.<br>(v) Profit from business established in Netherlands and deposited in a bank there business being controlled from Nagpur Rs.3,000.<br>(vi) Income from House property in Brazil and deposited there Rs.2,000.<br>(vii) Past untaxed income brought in to India during previous year Rs.15,000.</td><td>K3</td><td>CO1</td></tr>
<tr><td>2</td><td>17</td><td>Compute the house property income from the particulars given below.
<table>
<tr><th>Particulars</th><th>House I<br>Self occupied<br>Rs.</th><th>House II<br>Let out<br>Rs.</th></tr>
<tr><td>Municipal Rental Value</td><td>2,40,000 p.a.</td><td>3,60,000 p.a.</td></tr>
<tr><td>Fair Rental Value</td><td>1,80,000 p.a.</td><td>2,40,000 p.a.</td></tr>
<tr><td>Standard rental value</td><td>Nil</td><td>1,80,000 p.a.</td></tr>
<tr><td>Actual rental value</td><td>3,60,000 p.a.</td><td>6,00,000 p.a.</td></tr>
<tr><td>Vacancy ( in months)</td><td>2</td><td>1</td></tr>
<tr><td>Municipal taxes paid by tenant</td><td>---</td><td>15,000</td></tr>
<tr><td>Municipal taxes paid by owner</td><td>1,500</td><td>5,000</td></tr>
<tr><td>Unrealized rent</td><td></td><td>15,000</td></tr>
<tr><td>Interest on housing loan</td><td>2,000</td><td>5,000</td></tr>
</table></td><td>K4</td><td>CO2</td></tr>
<tr><td>3</td><td>18</td><td>Mr.Ram owns many properties in India. He sold some these during the previous year 2024-25.<br>i. Jewellery costing Rs.80,000 (which was acquired in June 2022) was sold for Rs. 1,00,000 in May 2024.<br>ii. House at Kolkatta : Let out for residential purpose. It was inherited by him in 1984. Sale price on 31.12.2024 Rs.20,50,000. FMV on 1.4.2001 Rs.5,00,000. Cost of improvement made during 2008-09 Rs.25,000. Expenses on transfer Rs. 25,000.<br>iii. Household furniture costing Rs.14,000 in 2007-08 was sold in March 2025 for Rs.26,000.<br>iv) Sale price of Omni van which was purchased by him in Jan 2023 for Rs. 72,000 was sold on 1.12.2024 for Rs. 45,000. WDV on 1.4.2024 was Rs. 38,000.<br>Compute the income from capital gain (CII 2024-25 : 363, 2001-02: 100, 2007-08: 129 , 2008-09: 137)</td><td>K4</td><td>CO3</td></tr>
<tr><td>4</td><td>19</td><td>From the particulars given below compute total income for the previous year 2024-25.<br>Income from House property (computed) Rs.6,000<br>Profit from electric goods business Rs.10,000<br>Profit from agency business Rs.3,000<br>Speculation gain from Gold Rs.2,000<br>Long term Capital Gain from land Rs.7,000<br>Short term capital Gain Rs.2,000<br>Following losses have been brought forward from 2023-24:<br>Loss from electric goods business Rs.6,000<br>Loss from agency business Rs.1,000<br>Speculation loss from Silver Rs.4,000<br>Unabsorbed depreciation Rs.1,000<br>Long term capital loss (Land) Rs. 4,400<br>Short term capital loss Rs.3,000</td><td>K4</td><td>CO4</td></tr>
<tr><td>5</td><td>20</td><td>Elucidate the various assessment and the procedure for assessment under Income Tax Act, 1961.</td><td>K3</td><td>CO5</td></tr>
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Z-Z-Z END