TOTAL PAGES: 4

22CSP314N

PSG COLLEGE OF ARTS & SCIENCE

(AUTONOMOUS)

MCom(CS) DEGREE EXAMINATION MAY 2026

(Third Semester)

Branch- **CORPORATE SECRETARYSHIP**

DIRECT TAXES

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	Past untaxed profit brought to India is fully exempted is the hands of______ a) Resident b) Not Ordinary Resident c) Non-Resident d) All of the above	K1	CO1
	2	Which of the following section of the Income Tax Act, explains exempted income? a) Sec. 80 b) Sec. 88 c) Sec. 2 d) Sec. 10	K1	CO1
2	3	Which of the following incomes are exempted? a) Dearness Allowance b) Special Allowance c) City Compensatory Allowance d) Foreign Allowance	K1	CO2
	4	When a person has occupied more than two properties for his residential purposes, how many properties are treated as self occupied properties? a) Only one house b) Only two houses c) All the houses d) None of the houses	K1	CO2
3	5	Which of the following expenditure is not allowed as deduction while computing the business income? a) Donation b) Rent c) Entertainment d) Salary	K1	CO3
	6	State which of the following as not a capital asset. a) Goodwill b) Land & Building c) Plant and Machinery d) Stock in trade	K1	CO3
4	7	When there is book loss then remuneration to partners will be____ a) 1,40,000 b) 1,20,000 c) 1,30,000 d)1,50,000	K1	CO4
	8	The rate of tax on short term capital gain of the firm under section 111A is______ a) 10% b) 15% c) 20% d) 30%	K1	CO4
5	9	Deduction in respect of higher education loan is allowed in respect of_____ a) Interest only b) Principal only c) Penal interest d) All of the above	K1	CO5
	10	The Chief Commissioner of Income Tax is appointed by___ a) Central Govt. b) State Govt. c) Central Board of Direct Taxes d) RBI	K1	CO5

Cont...

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 Tax and Summarize the features of Income tax in India.	K2	CO1
		(OR)		
	11.b.	Following are the incomes of Arulanandam for the previous year 2024-2025 i. Profit from the business in Chennai 20,000 ii Income accrued in India but received in Singapore 4,000 iii. Profit from business in USA but received in India 5,000 iv. Income from house property in trichy received in Kolkatta 4,000 v. Profit from business abroad, controlled from India 15,000 vi. Income from house property in Srilanka and deposited there 2,000 vii. Past untaxed income brought into India 12,000 Compute the total income of arulanadam for the A.Y.2025-26 if he is a) Resident b)NOR c)NR		
2	12.a.	i. Salary @ Rs.10,000 p.m. ii. DA @ Rs.3,000 pm (Rs.1,500 pm enters into pay for service benefits) iii. C.C.A Rs.2,000 p.m. iv. Bonus Rs.1,000 p.m. v. Commission Rs.1,000 p.m. vi. Educational allowance for his children Rs.1,000 p.m. iv. Hostel Allowance Rs. 2,000 p.m. He is provided with rent-free accommodation in a house owned by his employer in Delhi. The cost of furniture provided in that house is Rs.50,000. Compute the perquisite value of rent free accommodation.	K3	CO2
		(OR)		
	12.b.	MRV – 20,000 p.a.; FRV – 30,000 p.a.; Standard Rent – 36,000 p.a. Actual Rent – 3,500 p.m. Municipal tax is 20% of the municipal value. However as per agreement, 50% of it paid by the tenant. Compute Net Annual Value.		
3	13.a.	From the following details calculate capital gain. a. Sale consideration of residential house fro Rs. 35,00,000 on 25.06.2024 (CII: 363) b. Cost of acquisition of the house on 1.08.2010 is Rs.10,02,000 (CII: 167) c. New residential house acquired on 10th March 2025 for Rs. 8,00,000 d. Cost of stamp and registration fees is Rs.1,00,000	K3	CO3
		(OR)		
	13.b.	Compute the taxable income from other sources i. Family pension received Rs.30,000 ii. Royalty amount received Rs. 15,000 iii. Honorarium received for delivering lectures Rs.3,000 iv. Directors fee Rs. 5,000 v. Expenses incurred to earn royalty Rs. 2,000	K5	

4	14.a.	A,B and C are partners in a firm assessed as firm sharing profits and losses in the proportion of 3:2:1. The firm's Profit and Loss Account for the year ended 31st March 2025 showed a net profit of Rs.1,17,360 after debiting inter-alia the following amounts: i. Salary of Rs.4,000 paid to C ii. Rent of Rs.9,000 paid to A for the portion of building owned by A in which the firm's office was situated.. iii. Interest on capital @10% is Rs.1,000; Rs.2,000 and Rs.3,000 to A,B and C respectively. iv. Commission on sale to B Rs.1,000 v. Expenses on current repairs of the business premise belonging to partner A Rs.1,000. The rent agreement does not contain any provision regarding repairs by the firm. vi.Donation to Shri Sai Baba sansthan Trust Shirdi(Approved), Rs.5,000 The net profit of Rs. 1,17,360 included Rs.10,400 form interest on Government securities. Compute firm's total income for the assessment year 2025-26. The deed was submitted along with return and it provides for salary to C Rs.4,000 p.a. and interest on capita to partners @ 10% p.a.	K4	CO4
		(OR)		
	14.b.	The total income of XYZ Ltd., a domestic company, computed under the normal provisions of Income Tax Act is Rs. 5,00,000. However, the book profit of the company(calculated as per section 115 JB) amount to Rs. 14,50,000. Calculate the tax liability of the company for the assessment year 2025-26. What is the amount of tax credit available to the company?		
5	15.a.	Elaborate the control of tax authorities under section 118.	K6	CO5
		(OR)		
	15.b.	Discuss the provisions related to tax deduction at source.		

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	Mr.Joseph, a foreigner, came to India form Poland for the first time on 1st April 2018. He stayed here continuously for 3 years and went to France on 1st April 2021. He, however, returned to India on 1st July 2021 and went to Poland on 1st December 2022. He again came back to India on 25th January 2025 on a service in India. What is his residential status for the A.Y. 2025-26.	K2	CO1
2	17	Compute Gross Salary under old tax regime from information given below for each situation separately. i. Salary @ Rs.30,00 p.m. ii. DA @ Rs. 6,000 p.m. iii. CCA @ Rs.1,000 p.m. iv. House Rent Allowance @ Rs.8,000 p.m. v. Commission on turnover achieved by him Rs.40,000 Situation: a. Living in own house b. Living in rented house at Delhi as DA enters into salary for service benefits and rent paid Rs. 7,000 p.m. c. Living in rented house at Chandigarh and DA does not enter into pay for service benefits and rent paid Rs. 10,000 p.m.	K4	CO2

3	18	Mr.Raman, a Chartered Accountant, is living at Kanpur and is carrying on his profession there. For the year 2024-25 he has supplied the following particulars. Compute his total income for the assessment year 2025-26 under A. Old Tax Regime B. New Tax Remine i. Professional Gain 5,00,000 ii. Rent received from house at Delhi 18,000 p.a iii. Municipal taxes 1,500 p.a iv. Long term capital gain on sale of a plot 10,000 v. Par time salary as lecturer 1,64,000 vi. Rent paid at Kanpur 6,000 p.m. vii. Interest on Govt. Securities 29,000 He deposited Rs, 15,000 in PPF account.	K5	CO3
4	19	Anita, Beena and Chitra are partners in a firm assessed u/s 185 sharing profits and losses equally. Their capitals were:Anita -Rs. 20,000; Beena-Rs.30,000;Chitra – 10,000 The profit and loss a/c of the firm for the previous year ended 31st March 2025 showed a net profit of Rs.10,000 after charging the following items: 1. Salary to Anita Rs.300 pm and to Chitra Rs.500 pm 2. Interest on Capital at 6% pa. 3. Rent to Anita Rs. 150 pm in whose building business was carried on. 4. Interest on loan taken from Beena Rs.500 Compute the total income of the firm and allocate it amongst the partners.	K5	CO4
5	20	Discuss the various modes of Recovery of Tax.	K6	CO5

Z-Z-Z END