D3ACM2402 **(3 Pages)** **Name.....**

Reg.No.....

THIRD SEMESTER M. Com DEGREE EXAMINATION, NOVEMBER 2025

(Regular/Improvement/Supplementary)

COMMERCE

FMCM3C12 - INCOME TAX: LAW, PRACTICE AND TAX PLANNING- I

Time: 3 Hours **Maximum Weightage: 30**

Part A: Answer any *four* questions. Each carries *two* weightage.

1. What is tax evasion?
2. What do you mean by tax planning?
3. Compare direct and indirect tax.
4. What do you mean by best judgement assessment?
5. What is a belated return?
6. What is TDS?
7. What is meant by relief, under income tax law?

(4 × 2 = 8 weightage)

Part B: Answer any *four* questions. Each carries *three* weightage.

8. Compute taxable income from house property from the following particulars.

	Rs/-
Fair Market Rent	80,000
Actual Rent	72,000
Municipal Valuation	50,000
Standard Rent	60,000
Municipal Taxes	20%
Interest paid	18,000

9. From the following information, compute deduction under section 80C.

   1. Life premium paid for: Self Rs. 25,000 (sum assured 5,00,000), Wife Rs. 20,000 (sum assured Rs 1,50,000), Major son Rs. 18,000 (sum assured Rs.5,00,000), Married daughter Rs.16,000 (sum assured Rs.2,00,000), Father Rs. 10,000 (sum assured Rs. 3,00,000).
   2. Fixed deposit in scheduled bank for 6 years (tax saving) Rs. 2,00,000.
   3. Contribution to Recognised Provident Fund Rs 50,000.
   4. NSC VIII issue purchased in December 2020 Rs. 1,00,000.
   5. Repayment of housing loan Rs.1,50,000.
   6. Contribution to ULIP Rs. 10,00.

(P.T.O.)

10. What is ’aggregation of income’? Explain the contexts of aggregation of incomes.

11. What are tax free perquisites?

12. Discuss the procedure for recovery of tax.

13. The Net profit of Mr. Ranjeet as per his Profit and Loss A/c after charging the following items was Rs.3,40,000:

		Rs.
a)	Interest on capital	20,000
b)	Salary to staff	1,16,000
c)	Office expenses	3,000
d)	Bad debts written-off	13,000
e)	Provisions for bad debts	10,000
f)	Provisions for income-tax	16,000
g)	Donation	10,000
h)	Depreciation	17,000

Depreciations allowable as per the Act is only Rs.12,000.
Compute income from business.

14. Mr. Anand, the Karta of a HUF, gives you the following information.

1. Income from family business Rs.2,00,000.
2. Income from salary Rs.1,50,000.
3. Director’s fee received by Karta Rs. 36,000.
4. Annual rent of let out house of the family Rs. 48,000.
5. Interest on bank deposit (FD) in the names of family members Rs.40,000.
6. Family share of profit from an AOP in which the Karta is a representative of the family Rs.50,000.
7. Long term capital gains Rs.25,000.
8. Muncipal taxes paid for the let out house Rs 5000 (10% of municipal valuation).
9. Interest on loan taken to repair the let out house Rs.40,000.
10. Insurance premium paid for the members of the family Rs.10,000.
11. Donation to Chief Minister’s Relief Fund Rs.20,000.

Compute the total income of the HUF.

(4 × 3 = 12 weightage)

Part C: Answer any *two* questions. Each carries *five* weightage.

15. What are the powers and functions of Income Tax Authorities?

16. What are the different types of Assessment?

17. Mr A, aged 50 years, submitted the following details of his income and investment for financial year 2023-24.

Particulars	**Amount**
Salary	5,00,000
Bonus	17,500
Dearness allowance	1,00,000
Income tax paid	12,500
Interest on housing loan(Self occupied, loan taken in 2015)	70,000
Principal amount on housing loan repaid	30,000
Dividend from co-operative society	12,000
Dividend from an Indian company	1,00,000
Interest on fixed deposits with bank	15,000
Interest on saving bank deposits	18,000
Interest on Public Provident Fund Account	25,000
Deposit in Public Provident Fund Account	1,30,000

Compute taxable income for the assessment year 2024-25.

18. Mr X gives the following particulars of his income during the year 2023-24.

	(Rs.)
Salary	3,50,000
Dearness Allowance (includible for retirement benefits)	2,00,000
Provident Fund (recognised) contribution by the employer	1,00,000
Provident Fund contribution by Mr X	36,000
Interest free loan granted by the employer	20,000
Life insurance premium of Mr. X paid by the employer	4,000
Group insurance premium paid by the employer	6,000
Travelling allowance for official tours	12,000
House rent paid by Mr X	1,44,000

Compute income from salary taxable for the assessment year 2024-25.

(2 × 5 = 10 weightage)