QP CODE: D4BAF2403	(Pages: 3)	Reg. No	: ....
		Name	: ....

FOURTH SEMESTER FYUGP EXAMINATION, APRIL 2026

Discipline Specific Core (DSC) Courses - Major

AFA4CJ209 : INCOME TAX LAW AND PRACTICE

(Credits: 4)

Time: 2 Hours | **Maximum Marks: 70**

Section A

Answer the following questions. Each carries 3 marks (Ceiling: 24 marks)

1.	What is previous year?	BL1	CO1, CO4
2.	What do you mean by earned leave salary?	BL2	CO1, CO2, CO4
3.	Mention three intangile assets.	BL2	CO1, CO2, CO4
4.	Long term capital loss can be carried forward to be set-off for how many assessment years?	BL3	CO1, CO2, CO3, CO4
5.	Explain any four exempted sources of income of an individual.	BL2	CO1, CO2, CO4
6.	Who can be a resident but Not-ordinarily resident under the income tax act?	BL3	CO1, CO2, CO4
7.	Briefly explain the computation of annual value of a house under different situations.	BL2	CO1, CO2, CO4
8.	What is the meaning of the term 'Cost of Acquisition' ?	BL2	CO1, CO2, CO3, CO4
9.	With whose income the income of minor child is clubbed?	BL3	CO1, CO2, CO3, CO4
10.	Explain the treatment of gratuity for the employees covered under the payment of gratuity act 1972.	BL3	CO1, CO2

Section B

Answer the following questions. Each carries 6 marks (Ceiling: 36 Marks)

11.	Explain the exemptions from tax for all assessees.	BL2	CO1, CO3, CO4

(PTO)

12.	Mr.X is employed in a factory (owned by an individual) on a monthly salary of ₹20000. In addition to the salary, he received a bonus of two months salary during the previous year. The factory has provided the assessee with a rent free ununfurnished accomodation. The rent paid by employer was ₹1400 p.m. One son of the assessee is studying in the USA and his expenses are borne by the employer, which for the accounting year amount to ₹ 14000. He is provided with a smal car by the employer which he uses partly for the private purpose and partly for official purpose. All the expenses in respect of the car are paid by the factory. He is getting entertainment allowance @₹800 per month. Compute his taxable income form salary for the assessment year 2025-26.	BL4	CO1, CO2, CO3, CO4
13.	Afsal bought 5000 equity share in a company on 16th August 2024 at ₹ 50 per share. He also paid a brokerage of ₹ 3 per share . On 14th June 2025 he sold 4000 shares at ₹75 per share and paid a brokerage of ₹2 per share. Compute capital gains.	BL3	CO1, CO2, CO4
14.	From the following information compute relief available u/s 89 Total Income assessed (2025-2026) - ₹585000 Total Income assessed (2024-2025)- ₹ 300000 The income of ₹ 585000 includes arrears of salary for the assessment year 2024-2025 ₹ 40000	BL3	CO1, CO3, CO4

Rates of Taxes	Assessment Years (2024-25 & 2025-26)
On ₹ 250000	Nil
Next ₹ 250000	5 %
Next ₹ 500000	20%
Next Balance	30%
Health and Education cess	4%

Rebate of tax u/s 87 A :Assessment year 2024-2025 up to ₹ 12500

15.	Explain the rates applicable for the assessment year 2025-2026.	BL2	CO1, CO3, CO4
16.	Write any four donations for which 50% deductions are allowed.	BL2	CO1, CO2, CO3, CO4
17.	Briefly explain Recognised and Unrecognised provident fund.	BL2	CO1, CO2, CO4
18.	Sri.Muthu provides the following particulars. You are required to compute his income from other sources a) Remuneration from articles published - ₹ 10000 b) Rent from building let out along with plant and machinery-₹ 50000 c) Amount received from winning race- ₹ 28000	BL3	CO1, CO2, CO3, CO4

	d) Winning from lottery (Net) received - ₹ 35000 e) Winning from crossword puzzles- ₹ 12000 f) Income from card games- ₹5000 g) Winning from chess- ₹2000		
Section C			
Answer any one question. Each carries 10 marks (1 x 10 = 10 Marks)			
19.	Explain in detail the meaning, classification, and taxability of perquisites under the Income Tax Act, 1961.	BL2	CO1, CO2, CO4
20.	State, giving brief reasons, whether the following items are allowable while computing profits and gains of business or profession. a) Donation to political party. b) Fees paid to the lawyer for drafting a new partnership deed. c) Sums paid to a labour leader to call off the strike. d) Salary paid to the son, who is working in the office. The salary is reasonable. e) Rent paid to daughter for office block which was gifted to her at the time of her marriage. f) Bonus to partner for extra services. g) Interest paid to wife on money borrowed from her. h) Subscription for magazines paid by a Doctor for the benefit of his patients. i) Major repairs to the air conditioner in the office. j) In the course of money lending business, the assessee acquired certain properties in lieu of debts and held them as stock in trade. The properties so acquired were destroyed by an enemy action and the assessee claims the loss as a deduction. k) Expenses incurred in respect of a branch, the business of which was discontinued during the year.	BL3	CO1, CO2, CO3
	CO : Course Outcome		
	BL : Bloom's Taxonomy Levels (1 – Remember, 2 – Understand, 3 – Apply, 4 – Analyse, 5 – Evaluate, 6 – Create)		