

D5BCM2303

Reg. No.....

Name: .....

**FIFTH SEMESTER B.Com. DEGREE EXAMINATION, NOVEMBER 2025**

**(Regular/Improvement/Supplementary)**

**FINANCE & COMPUTER APPLICATION**

**GBCM5B09T: INCOME TAX LAW AND ACCOUNTS**

**Time: 2 ½ Hours**

**Maximum Marks: 80**

**SECTION A**

**Answer the following questions. Each carries *two* marks.**

**(Ceiling 25 marks)**

1. Who is an assessee?
2. Mr. A is Karta of a HUF. He stays in the USA for 200 days. The HUF's control and management is partly in India. What is the residential status of the HUF?
3. What is partial integration of agricultural income?
4. What is recognized provident fund?
5. How the perquisite value is calculated when movable assets are transferred by the employer to the employee?
6. Explain the treatment of entertainment allowance.
7. What is standard rent?
8. How annual value is determined when the property is partly let out and partly self-occupied?
9. What is previous year?
10. What are the conditions for claiming depreciation on an asset?
11. What is meant by grossing up of interest?
12. Compute Gross Total Income for Mr. B, a resident, for previous year 2024–25:  
Income under the head salary ₹5,00,000  
Rent from house property in New Delhi ₹1,80,000  
Agricultural income in Karnataka ₹1,00,000  
Gift from friend: ₹60,000
13. An employer transferred furniture costing ₹1,00,000 to an employee after 3 years of use. Depreciation is allowed at 10% SLM. No amount was recovered. Compute the taxable perquisite.

**(PTO)**

14. Mr. C owns a let-out house property. He paid ₹2,20,000 as current year interest on housing loan and ₹1,50,000 as pre-construction interest. Compute the amount of interest deduction allowable while computing income from house property.
15. Mr. D purchased a house for ₹2,00,000 in 2001-02 and paid ₹18,000 as registration expenses. He sold this house on 31-5-2024 for ₹25,00,000. The market value of this house on 15-9-2005 was ₹10,00,000.  
Compute the capital gains for the Assessment Year 2025-26.

**SECTION B: Answer the following questions. Each carries five marks.**

**(Ceiling 35 marks)**

16. What is profit in lieu of salary?
17. Explain deductions that are expressly allowed in computing income from business.
18. Compute the residential status of Mr. E for the previous year 2024-25 who left India for the first time on 15-9-2020 and came back on 1-9-2023. He again left for Dubai on 15-6-2024 and came back on 14-2-2025 to settle in India.
19. Mr. F retired from service on 31.3.2024 and started getting pension of ₹ 30,000 monthly. On 1.1.2025 Mr F commuted one-fourth of pension and received ₹ 7,00,000. Compute taxable amount of pension for the Assessment Year 2025-26 if the assessee has not received gratuity at the time of retirement.
20. From the following information determine the annual value of the house.  
Municipal value ₹ 80,000  
Fair rent ₹ 1,20,000  
Standard rent ₹ 1,00,000  
The house was self-occupied for four months and then let-out @ ₹ 10,000 p.m.  
Municipal tax paid by the owner ₹ 10,000.
21. From the following information compute depreciation allowable for the Assessment Year 2025-26
- |   |          |
|---|----------|
|   | ₹        |
| W.D.V. of plant and machinery on 1-4-2024   | 1,00,000 |
| Cost of new machinery purchased for production of articles on 1.1.2025 and put to use | 60,000   |
| W.D.V. of machinery sold on 1.2.2025  | 30,000   |
| Amount received on machinery sold on 1.2.2025   | 40,000   |
| Rate of depreciation 15%  |          |
22. Explain long term and short term capital gains.

23. From the following particulars compute income from other sources for the Assessment Year 2025-26:

- a. Interest on listed securities (Net) ₹ 9,000
- b. Dividend from Foreign Company (Gross) ₹ 16,000
- c. Winning from Horse Race (Net) ₹ 17,780
- d. Interest on debentures of a local Authority (Gross) ₹ 7,200
- e. Interest on Post Office Savings Bank ₹ 1,500
- f. Family pension received ₹ 3,000 p.m

**SECTION C: Answer any two questions. Each carries ten marks.**

24. How will you compute annual value under different situations? State the deductions allowed from annual value.

25. Mr. G is an employee of a company. He supplies you the following particulars of his income :

Basic Salary ₹ 20,000 p.m.

DA 50% of salary (50% of DA enters into pay for service benefits).

Marriage allowance ₹ 600 p.m.

Education allowance ₹ 270 p.m.(Allowance @ ₹ 90 p.m. per child)

Bonus one month's salary

Entertainment allowance ₹ 1,200 p.m.

He and his employer contribute @ 16% of salary to R. P. F.

He is provided rent-free house owned by employer in city (population 11 lakh).

He is also in receipt of medical allowance of ₹ 300 p.m. Amount spent on medicines ₹ 4,500 during the year.

Compute his income from salary for the Assessment Year 2025-26.

26. Mr. J submits the following particulars about sale of assets during the year 2024-25:

	Jewellery	Plot	Gold
Sale price	₹ 7,00,000	₹ 18,24,000	₹ 5,00,000
Date of sale	01.05.2024	01.06.2024	01.07.2024
Expenses on sale	Nil	24,000	Nil
Cost of acquisition	₹ 1,29,000	₹ 2,26,000	₹ 1,48,000
Year of acquisition	2007-08	2004-05	2009-10
Cost inflation index	129	113	148

He has purchased a house for ₹15,00,000 on 1-3-2025. Compute the amount of taxable capital gain. Cost inflation index 2024-25 is 363.

**(PTO)**

27. Mr. H owns a business. The following is his P&L a/c for the year ended 31.3.2025.

	₹		₹
Salaries and wages	15,000	Gross Profit	2,70,000
Rent and taxes	4,000	Dividend on shares	4,000
Domestic expenses	2,000	Rent from let out house	10,000
TDS on interest	500		
Income tax	1,200		
Postal charges	1,500		
Donation	2,500		
Life insurance premium	2,000		
Audit fee	1,500		
Bad debts reserve	1,800		
Bad debts	2,500		
Depreciation	5,000		
Net profit	2,44,500		
	2,84,000		2,84,000
	2,84,000		2,84,000

1. Rent and taxes include ₹2,000 paid as Municipal Tax on let out.
2. Value of Life Insurance Policy is ₹ 18,000
3. Donation was given to an approved institution.
4. Permissible Depreciation was ₹ 4,000.

Compute his income from business and gross total income.

**(2 × 10 = 20 Marks)**