

SIXTH SEMESTER UG DEGREE EXAMINATION, APRIL 2025**B.COM. HONOURS****GBCH6B25T: INCOME TAX LAW AND PRACTICE****Time: 3 Hours****Maximum Marks: 80****Part A: Answer *all* the following questions. Each carries *one* mark.****Choose the Correct Answer.**

1. Income Tax Act extended to _____.
 - a. Whole of India.
 - b. Whole of India except Jammu & Kashmir.
 - c. Whole of India except Sikkim.
 - d. Whole of India except Jammu & Kashmir and Sikkim.
2. Salary paid to MLAs and MPs are chargeable under the head _____.
 - a. Salaries.
 - b. Other source.
 - c. Business income.
 - d. It is exempted from tax.
3. If Goodwill of a profession which is self-generated is transferred, there will:
 - a. be Capital Gain.
 - b. not be any Capital Gain.
 - c. be a short term Capital Gain.
 - d. be a long term Capital Gain.
4. Maximum limit of deduction allowable U/S 80 D is _____.
 - a. Rs. 25,000
 - b. Rs. 2,50,000
 - c. Rs. 1,00,000
 - d. Rs. 30,000
5. Income from vacant plot is taxable under the head _____.
 - a. Income from House Property.
 - b. Income from Business or Profession.
 - c. Income from Other Sources.
 - d. Income from Capital Gain.

Fill in the Blanks.

6. Depreciation comes u/s _____ under the head of business or profession.
7. Total Income of a person is determined on the basis of his _____.
8. Loss from House property can be forward to _____ years.
9. Income from cross word puzzles are taxable at _____.
10. Salary is taxable on _____ basis.

(10 × 1 = 10 Marks)**(PTO)**

Part B. Answer any *eight* questions. Each question carries *two* marks.

11. Define Person.
12. What do mean by Grossing Up?
13. What is PAN?
14. What is Block of Assets?
15. Explain MMR.
16. Comment on Profit in lieu of salary.
17. How tax liability of an individual is computed?
18. What are fully exempted allowances?
19. Differentiate between Relief and Rebate.
20. Define Previous Year.

(8 × 2 = 16 Marks)

Part C. Answer any *six* questions. Each question carries *four* marks.

21. What is Accelerated Assessment?
22. Mr. Akalank gets following gifts in July (P.Y. 2023-24). State its taxability under each situation for the A.Y. 2024- 25
 - i. Gift of Rs. 50,000 from his friend
 - ii. Gift of jewellery worth Rs. 2,00,000 from his fiancée
 - iii. Gift of Rs. 21,000 each from his two friends on his marriage
 - iv. Gift of Rs. 68,000 from his father's brother
 - v. Gift of Rs. 35,000 from his wife's friend on the occasion of marriage
 - vi. Gift of Rs. 26,000 from his brother's father in law
 - vii. Gift of Rs. 41,000 from his friend
23. Elaborate the different types of perquisites.
24. Write a short note on Deemed income.
25. What are the deductions available under Section 80 C.
26. Compute taxable portion of annual accretion from the information given below:
 - i. Salary @ Rs.4800 p.m.
 - ii. Commission @ 1 % of turnover of Rs.2,40,000 achieved by him during the previous year.
 - iii. Employer's contribution to RPF @ Rs.700 p.m.
 - iv. Interest credited to RPF balance @12% p.a. is Rs. 7,200.

27. Compute the amount of tax payable for the A.Y. 2024-25 in following cases:

- a) Total income of Mr. X is Rs.7,20,064.
- b) Income of Mr. Y (a resident senior citizen) is Rs.7,20,064.
- c) Income of Mr. Z (a resident super senior citizen) is Rs.7,20,064.

28. The following are the particulars of income and loss of an individual under different heads of income. Set off losses in the A.Y 2024-25 and find out the net result.

	Rs.
I. Income from house property A	5,000
II. Loss from house property B	(-) 8000
III. Income from interest on securities	20,000
IV. Loss from a cycle business	(-) 20,000
V. Profit from speculation business	20,000
VI. Loss from short term capital asset	(-) 6,000
VII. Long term capital loss	(-) 25,000
VIII. Long term capital gain	21,000

(6 × 4 = 24 Marks)

Part D. Answer any *two* questions. Each carries *fifteen* marks.

29. Define allowance and explain types of allowances.

30. The following incomes were received by Mr. A during the F.Y 2023-24:

i. Director's fee	6,000
ii. Income from agricultural land in Pakistan	40,000
iii. Income from Post Office Saving Bank Account	1,500
iv. Interest on Fixed Deposit in SBI	1,800
v. Winning from lottery (Net)	35,000
vi. Crossword puzzles	2,500
vii. Royalty on Books (Expenses Rs. 4,000)	20,000

Compute his income from Other Sources.

(PTO)

31. From the following Profit and Loss Account, calculate income under the head 'Profit and Gain of Business or Profession'

Particulars	Amount	Particulars	Amount
Salaries	95,000	Gross profit	3,80,000
Advertisement	24,000	Interest on securities	14,000
General expenses	16,000	Income from house property	25,000
Entertainment expenses	22,000	Bad debts recovered	12,000
Bad debts	1,500	(allowed earlier)	
Drawings	24,000		
Sales tax	6,000		
Interest on proprietor's capital	7,000		
Repairs	2,500		
Rent	21,000		
Legal expenses	5,000		
Depreciation	15,000		
Bonus	6,000		
Bonus to the proprietor	4,000		
Car purchases	72,000		
Expenses on car	12,000		
Donations	2,000		
Provision for bad debts	6,000		
Net profit	90,000		
	4,31,000		4,31,000

From the examination of book of accounts, the following other information are available.

- Advertisement expenses were spent on insertions in newspapers.
- Rs. 3,000 were spent on purchase of land and are included in legal expenses.
- Half of the repair expenses were on let out building.
- Depreciation allowable on all asset including car is Rs. 14,400.
- Bonus was paid to employees on 30/06/23 and the date of filing return is 31/07/23.

(2 × 15 = 30 Marks)