Reg. No. | | | | | | | |

G. VENKATASWAMY NAIDU COLLEGE (AUTONOMOUS), KOVILPATTI – 628 502.

B.COM DEGREE END SEMESTER EXAMINATIONS - NOVEMBER 2025.

(For those admitted in June 2023 and later)

PROGRAMME AND BRANCH: B.Com., BUSINESS ANALYTICS

SEM	CATEGORY	COMPONENT	COURSE CODE	COURSE TITLE
V	PART - III	CORE-11	U23BA511	INCOME TAX LAW AND PRACTICE I

Date & Session:08.11.2025/FN **Time : 3 hours** **Maximum: 75 Marks**

Course Outcome	Bloom's K-level	Q. No.	**SECTION – A (10 X 1 = 10 Marks)** **Answer ALL Questions.**
CO1	K1	1.	When was Income Tax levied in India for the first time? a) 1860 b)1886 c) 1960 d) 1961
CO1	K2	2.	Which of the following income is exempt from tax? a) Agricultural income in Chennai b) Interest on Government securities c) Income from house property d) Income from salary
CO2	K1	3.	Individual and HUF can be classified into ______ categories. a) Two b) Four c) Three d) Five
CO2	K2	4.	Income from a business in Singapore, controlled from Singapore is taxable in case of _____. a) Resident but not ordinary resident b) Resident and ordinary resident c) Non-resident d) All of the above
CO3	K1	5.	Commuted value of pension received by the Govt. Employee is _____. a) Fully Exempted b) Full Taxable c) Partially Exempted d) Exempted up to 1/3 of salary
CO3	K2	6.	Dearness allowance is taxable in the case of _______. a) Private Employees b) Govt. Employees c) Semi-Govt. Employees d) All Employees
CO4	K1	7.	A rent which a similar property can fetch in a similar locality is called. a) Municipal value b) Fair Rental Value c) Standard Rent d) Actual Rental Value
CO4	K2	8.	A standard deduction of ________ of the net annual value is allowed as deduction u/s 24. a) 30% b) 25% c) 50% d) 40%
CO5	K1	9.	Which of the following tax is allowed as deduction while computing the business income? a) Wealth Tax b) Gift Tax c) Fringe benefit tax d) Sales Tax
CO5	K2	10.	Allowable rate of depreciation on computer is ---- a) 60% b) 50% c) 40% d) 30%

<table>
<tr><th>Course Outcome</th><th>Bloom's K-level</th><th>Q. No.</th><th>SECTION – B (5 X 5 = 25 Marks)
Answer ALL Questions choosing either (a) or (b)</th></tr>
<tr><td>CO1</td><td>K3</td><td>11a.</td><td>Criticize the various objectives of Taxation.
(OR)</td></tr>
<tr><td>CO1</td><td>K3</td><td>11b.</td><td>Evaluate the features of Income Tax.</td></tr>
<tr><td>CO2</td><td>K3</td><td>12a.</td><td>Ms. Revathi came to India for the first time on 1st September 2023. During her stay in India up to 6th November, 2024 she stayed at Kolkata up to 31st May, 2024 and thereafter remained in Tamilnadu till her departure from India. Determine her residential status for the A. Y 2024-25?
(OR)</td></tr>
<tr><td>CO2</td><td>K3</td><td>12b.</td><td>Ms. Deepika, a Foreign national, came to India for the first time on 10-07-2019. During the P.Y. 2019-20,2020-21,2021-22,2022-23, 2023-24 and 2024-25, she stayed in India for 100 days, 110 days, 20 days, 193 days, 135 days, and 74 days respectively. Determine her residential status for the A. Y 2024-25.</td></tr>
<tr><td>CO3</td><td>K4</td><td>13a.</td><td>Ms. Sharmila resides in Chennai, gets Rs.3,00,000 p.a. basic salary, D.A (enter into service benefits) Rs.40,000 and 2% commission on turnover achieved by her. Turnover achieved by her during the previous year is Rs.3,00,000. She receives Rs.60,000 as HRA though she pays a rent of Rs.80,000 p.a. Determine the taxable and exempted portions of HRA.
(OR)</td></tr>
<tr><td>CO3</td><td>K4</td><td>13b.</td><td>After 33 years and 9 months in a factory. Ms.Malar who is covered under the payment of Gratuity Act retries from service on 30th September 2024. The employer pays her a gratuity of Rs.3,30,000. Her monthly basic salary at the time of retirement was Rs.14,400 D.A Rs.1,200 and House rent allowance Rs.2,500. You are required to determine the amount of exempted and taxable gratuity.</td></tr>
<tr><td>CO4</td><td>K4</td><td>14a.</td><td>From the following particulars, Compute the GAV.
<table>
<tr><th>Particulars</th><th>Rs.</th></tr>
<tr><td>Municipal value</td><td>36,000</td></tr>
<tr><td>Fair Rental Value</td><td>33,000</td></tr>
<tr><td>Standard Rent</td><td>30,000</td></tr>
<tr><td>Annual Rental Value</td><td>42,000</td></tr>
<tr><td>Loss due to Vacancy</td><td>2 Months</td></tr>
</table>
(OR)</td></tr>
<tr><td>CO4</td><td>K4</td><td>14b.</td><td>From the following, Calculate Net Annual Value.
<table>
<tr><th>Particulars</th><th>Rs.</th></tr>
<tr><td>MRV</td><td>1,00,000 p.a.</td></tr>
<tr><td>FRV</td><td>1,10,000 p.a.</td></tr>
<tr><td>SRV</td><td>1,20,000 p.a.</td></tr>
<tr><td>Actual Value</td><td>1,32,000 p.a.</td></tr>
</table>
Municipal tax is @10% of municipal value and sanitation tax is @2%</td></tr>
</table>

<table>
<tr><td>CO5</td><td>K5</td><td>15a.</td><td>From the following P&L A/c of Mr.Mani, Calculate his taxable Income from Business for the P.Y.2024-2025.
<table>
<tr><th>Particulars</th><th>Amount Rs.</th><th>Particulars</th><th>Amount Rs.</th></tr>
<tr><td>To Salary to Staff</td><td>48,000</td><td>By Gross Profit</td><td>75,000</td></tr>
<tr><td>To Donation</td><td>6,000</td><td>By Income from HP</td><td>15,000</td></tr>
<tr><td>To Electricity</td><td>5,000</td><td>By Dividend from Investment</td><td>5,000</td></tr>
<tr><td>To Provision for bad debt</td><td>3,000</td><td></td><td></td></tr>
<tr><td>To Net Profit</td><td>33,000</td><td></td><td></td></tr>
<tr><td></td><td>95,000</td><td></td><td>95,000</td></tr>
</table>
(OR)</td></tr>
<tr><td>CO5</td><td>K5</td><td>15b.</td><td>Mr. Alamu's Profit and loss account showed a net profit of Rs.2,25,000 after crediting the following income. Compute her taxable income from business.
1. Income from house property Rs.35,000
2. Income from other sources Rs.25,000
3. Income from capital gain Rs.15,000
4. Bad debts recovered and it was allowed as deduction in the earlier years Rs.10,000.</td></tr>
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<tr><th>Course Outcome</th><th>Bloom's K-level</th><th>Q. No.</th><th><u>SECTION – C </u>(5 X 8 = 40 Marks)
Answer <u>ALL </u>Questions choosing either (a) or (b)</th></tr>
<tr><td>CO1</td><td>K3</td><td>16a.</td><td>Construct the history of Income Tax.
(OR)</td></tr>
<tr><td>CO1</td><td>K3</td><td>16b.</td><td>Identify the any 10 exemptions available under section 10.</td></tr>
<tr><td>CO2</td><td>K4</td><td>17a.</td><td>Ms. Romona furnished the following particulars for the P.Y 2024-25. Ascertain her taxable income assuming that she is a) Resident b) Not ordinarily resident and c) Non-resident.
i) 30,000, interest on USA Development Bonds (two-third is received in India).
ii) 40,000, profit from a business in Chennai and managed from outside India.
iii) 60,000, income earned from business in Singapore which is controlled from Chennai. (20,000 is received in India).
iv) 25,000, dividend paid by a foreign company but received in India.
v) 10,000, income was earned in USA and received there, but brought into India.
(OR)</td></tr>
<tr><td>CO2</td><td>K4</td><td>17b.</td><td>From the following particulars calculate the total income of Mr.Deepan, assuming that he is i)Resident, ii) Not-ordinary Resident and iii) Non-Resident.
<table>
<tr><th></th><th>Rs.</th></tr>
<tr><td>a) Income from agriculture in Pakistan</td><td>20,000</td></tr>
<tr><td>b) Share of Income from joint venture in India</td><td>10,000</td></tr>
<tr><td>c) Income from business aboard and controlled from India</td><td>10,000</td></tr>
<tr><td>d) Salary received in India Rs.9,800 but services rendered in Pakistan Income earned and received in Pakistan from bank deposit</td><td>5,000</td></tr>
</table></td></tr>
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CO3 K4 18a. Compute the taxable salary of Mr.Ravi of Kumar from the following particulars.

i. Basic salary Rs.8,000 p.m
ii. Dearness allowance Rs.2,000 p.m. considered for retirement benefits
iii. Bonus Rs.8,000 p.a.
iv. Rent free accommodation provided by the employer, the fair rental value of which is Rs.20,000 p.a. The cost of furniture provided, there is Rs.10,000 (assume population in 9,00,000)
v. Entertainment allowance Rs.500 p.m.
vi. His contribution for RPF is at 15% of salary
vii. Employer's contribution to RPF is Rs.15,000 p.a.
viii. Interest credit RPF balance at 9.5% p.a. Rs.1,900
ix. Free use of large motor car for both official and personal purposes. Driver is also provided.

(OR)

CO3 K4 18b. Ms. Sudha, an employee of Tamil Nadu Govt. submits the following information relevant for the previous year 2024-25.

Salary Rs.86,000, Entertainment allowance Rs.8,000, Bonus Rs.10,200, Education allowance Rs.4,000, (for her grand children). Income tax penalty paid by employer: Rs.2,000, Medical expenses reimbursed by employer: Rs.2,000. Leave travel concession: Rs.1,000, Free residential telephone Rs.4,000, free refreshment during office hours Rs.4,000. Payment of electricity bills by the employer Rs.1,060. Reimbursement of gas bills Rs.1,000. Professional tax paid by employer Rs.300. Professional tax paid by Ms. Sudha: Rs.150. Determine the taxable salary.

CO4 K5 19a. From the following particulars, compute the Gross Annual Value. Assume that assessee used both the houses for her own occupation.

Particulars	**House I Rs.**	**House II Rs.**
SRV	84,000	---
MRV	72,000	90,000
Municipal taxes paid	90,000	80,000
FRV	7,200	9,000
Ground rent	5,000	6,000
Insurance premium	6,000	3,000

The house owner borrowed Rs.1,20,000 @ 10% p.a. for construction of House 2 (Date of borrowing was 1st Oct. 2017. Date of repayment was 31st March 2025.) Date of construction was completed during Sep. 2022.

(OR)

CO4 K5 19b. Ms. Lakshmi owns a big house. 50% of the floor area is let out for residential purposes on a monthly rent of 20,000, 25% of the floor area is used by the owner for the purpose of her profession, which remaining 25% of the floor area is utilized for the purpose of her residence. Other particulars of the house are as follows:

	Rs.
i). Municipal valuation	5,00,000
ii). Standard Rent	9,00,000
iii). Municipal taxes	50,000
iv). Repairs	40,000
v). Interest on capital borrowed for repairs	2,40,000 (Loan taken before 1999)

vi). Ground Rent	5,000
vii). Fire Insurance premium	12,000

Compute the taxable income from house property of Ms. Lakshmi for the P Y 2024-25.

CO5 K5 20a. Following is the Income and Expenditure of a charted accountant for the previous year 2024-2025. Calculate income from profession from the details given below:

Expenditure	**Rs.**	**Income**	**Rs.**
To Balance b/d	6,000	By Salary to Staff	1,80,000
To Consultation Fees	7,50,000	By Rent of clinic	60,000
To Visiting fees	60,000	By Purchase of Medicine	70,000
To Sale of Medicine	94,500	By Surgical equipment	2,30,000
To Interest on deposits	55,500	By Purchase of Car	4,00,000
To Dividend on investment	34,000	By Balance C/d	60,000
	10,00,000		10,00,000

(OR)

CO5 K5 20b. Given below is the Profit & Loss Account of Ms. Rajeswari in a tabular format for the year ending 31.03.2025:

Particulars	**Amount Rs.**	**Particulars**	**Amount Rs.**
To Salaries	6,000	By Gross Profit	22,000
To General Expenses	2,750	By Rent of Property	6,000
To Repairs (house property)	3,000	By Commission Received	28,000
To Bad Debts	1,250	By Dividend	4,000
To Reserve for Losses	2,000		
To Contribution to Staff PF	5,000		
To Donation	1,725		
To Bad Debts for Reserve	1,275		
To Net Profit	37,000		
	60,000		60,000

You are required to ascertain her Income from Business for the P.Y. 2024-25.