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 **PRESIDENCY UNIVERSITY**

  **Bengaluru**

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| **End - Term Examinations – JANUARY 2025** |
| **Date:** 04 - 01 - 2025 **Time:** 1:00 pm – 4:00 pm |

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| --- | --- |
| **School:** SOC | **Program:** B.COM |
| **Course Code: COM2015** | **Course Name:** INCOME TAX |
| **Semester**: V | **Max Marks**: 100 | **Weightage**: 50% |

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| **CO - Levels** | **CO1** | **CO2** | **CO3** | **CO4** | **CO5** |
| **Marks** | **11** | **26** | **26** | **11** | **26** |

**Instructions:**

1. *Read all questions carefully and answer accordingly.*
2. *Do not write anything on the question paper other than roll number.*

**Part A**

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| **Answer ALL the Questions. Each question carries 2 marks. (10Q x 2M = 20M)** | **Bloom's Level**  | **CO** |

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| --- | --- | --- | --- | --- |
| **1** | Explain the meaning of Direct and Indirect Taxes. | **2 Marks** | **Remember** | **CO1** |
| **2** | Define Person as per Income Tax Act, 1961. | **2 Marks** | **Remember** | **CO1** |
| **3** | Explain the concept of perquisite. | **2 Marks** | **Remember** | **CO2** |
| **4** | Show the taxability of gratuity of a government employee. | **2 Marks** | **Remember** | **CO2** |
| **5** | Explain the meaning of NAV. | **2 Marks** | **Remember** | **CO3** |
| **6** | List out the deductions available from income from house property. | **2 Marks** | **Understand** | **CO3** |
| **7** | List the different types of Capital Gains. | **2 Marks** | **Understand** | **CO4** |
| **8** | Outline two features of Capital Assets. | **2 Marks** | **Understand** | **CO4** |
| **9** | Summarize the concept of set-off and carry forward of losses. | **2 Marks** | **Understand** | **CO5** |
| **10** | List two eligible deductions under Section 80C. | **2 Marks** | **Understand** | **CO5** |

**Part B**

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| **Answer ALL the Questions. Each question carries 7 marks. (5Q x 7M = 35M)** | **Bloom's Level**  | **CO** |
| **11** | Illustrate the different heads of income per Income Tax Act, 1961. | **7 Marks** | **Understand** | **CO1** |
|  | **Or** |
| **12** | Brett Lee, an Australian cricket player visits India for 100 days in every financial year. This has been his practice for the past 10 financial years.(a)Find out his residential status for the assessment year 2023-24.(b)Would your answer change if the above facts relate to Srinath, an Indian citizen who resides in Australia and represents the Australian cricket team?(c)What would be your answer if Srinath had visited India for 120 days instead of 100 days every year including PY 2022-2023? | **7 Marks** | **Apply** | **CO1** |

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| **13** | Define Salary as per Income Tax Act, 1961. Also explain the deductions from salary income. | **7 Marks** | **Understand** | **CO2** |
|  | **Or** |
|  **14** | Mrs. Payal retired from Pajeb Ltd. on 29/8/2021 after completing 30 years 9 months of service and received a gratuity of ₹ 2,00,000. Her last drawn salary: Basic ₹ 10,000 p.m. + DA ₹ 5,000 p.m. + Commission being a fixed percentage on turnover ₹ 2,000 p.m. (turnover evenly accrued during the previous year) + Commission on Profit ₹ 23,000 for this year. Her last increment was on 1/1/2021 in Basic ₹ 1,000 and in DA ₹ 500. Find taxable gratuity assuming that she is not covered by the Payment of Gratuity Act? | **7 Marks** | **Apply** | **CO2** |

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| **15** | Mention the provisions related to chargeability of income from house property under Section 22 of the Income Tax Act, 1961. | **7 Marks** | **Understand** | **CO3** |
|  | **Or** |
| **16** | Anirudh has a property whose municipal valuation is ₹ 1,30,000 pa. The fair rent is ₹ 1,10,000 pa the standard rent fixed by the rent control Act is ₹ 1.20,000 pa. The property was it let out for a rent of ₹ 11,000pm throughout the previous year. unrealized rent was ₹ 11,000 and all conditions. prescribed by rule 4 are satisfied. He paid municipal taxes @10% of municipal valuation. Interest on borrowed capital was ₹ 40,000 for the year. Compute his income from house property for AY 2023-24. | **7 Marks** | **Apply** | **CO3** |

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| **17** |  | Illustrate the procedure for determination of Short-term and Long-term Capital Gains. | **7 Marks** | **Understand** | **CO4** |
|  | **Or** |
| **18** |  | Mr. X receives the following gifts during PY 2022-23:1. He gets a gift of ₹25,000 from his friend A.2. He gets another Gift of ₹5000 from his friend A.3. He gets a gift of ₹26,000 from C, who is cousin of his father.4. He gets a gift of ₹5000 from D, who is elder brother of his grandfather.5. He gets gift of ₹41,000 from his grandmother.6. On the occasion of Marriage of X, he gets ₹1,90,000 as gift (out of which 1,00,000 is received from relatives and remaining amount is received from friends of Mr. X & Mrs. X)7. He gets ₹80,000 from a notified public chartable institution.8. He receives ₹5,40,000 under a will of a person known to him.9. He received a house property from his friend as Gift (Stamp Value of the Property is ₹40,000)10. He received shares from his friend for ₹65,000 (Fair market value on the date of receipt is ₹80,000) Compute Income chargeable in hands of Mr. X under head other sources for AY 2023-24. | **7 Marks** | **Apply** | **CO4** |

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| --- | --- | --- | --- | --- |
| **19** | Discuss the provisions related to inter head adjustment under Section 71 of the Income Tax Act, 1961. | **7 Marks** | **Understand** | **CO5** |
|  | **Or** |
| **20** | **b**Mr A (aged 35 years) submits the following particulars pertaining to the Assessment Year 2023-24:

|  |  |
| --- | --- |
| Particulars | Amount (₹) |
| Income from Salary (Computed) | 4,00,000 |
| Loss from Self Occupied Property | (-) 70,000 |
| Loss from let out Property | (-) 1,50,000 |
| Business Loss | (-) 1,00,000 |
| Bank Interest (FD) received | 80,000 |

Compute the total income of Mr A for the Assessment Year 2023-24 assuming that he does not opt for the provision of Section 115 BCA. | **7 Marks** | **Apply** | **CO5** |

**Part C**

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| **Answer Any THREE Questions. Each question carries 15 marks. (3Q x 15M = 45M)** | **Bloom's Level**  | **CO** |

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| **21** | Give a detailed overview on the concept and taxability of provident fund as per Income Tax Act, 1961. | **15 Marks** | **Apply** | **CO2** |
| **22** | Mr. Goyal receives the following emoluments during the PY ending 31-03-2023:Basic Pay ₹ 40,000DA ₹ 15,000Commission ₹ 10,000Entertainment allowance ₹ 4,000Medical Expenses reimbursed ₹ 25,000Professional tax paid ₹ 2,000 (₹ 1,000 was paid by employer)Mr. Goyal contributes ₹ 5,000 towards RPF. He has no other income. Determine the income from salary for AY 2023-24 if he is a state Government employee.Also, explain the provisions related to taxability of HRA. | **15 Marks** | **Apply** | **CO2** |
| **23** | Compute income from Business from the following Profit and Loss A/c of Mr Roy for the AY 2024-25:

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars  | Amount (₹) | Particulars | Amount (₹) |
| To Rates and Taxes | 450 | By Gross Profit | 14,623 |
| To Establishment | 1,750 | By Bank Interest on Personal Deposits | 577 |
| To Rent | 600 |  |  |
| To Household Expenses | 1,450 |  |  |
| To Discount | 250 |  |  |
| To Advertisement | 200 |  |  |
| To Income Tax | 480 |  |  |
| To Postage and Stationery | 810 |  |  |
| To Fire Insurance | 150 |  |  |
| To Gifts and Presents | 160 |  |  |
| To Charity and Donations(To approved institutions) | 1,140 |  |  |
| To Repairs of Furniture | 50 |  |  |
| To Interest on Loan | 1,000 |  |  |
| To Life Insurance Premium | 600 |  |  |
| To Reserve for Doubtful Debts | 700 |  |  |
| To interest on Capital | 250 |  |  |
| To Net Profit | 5,160 |  |  |
| Total | 15,260 | Total | 15,260 |

 | **15 Marks** | **Apply** | **CO3** |
| **24** | Determine the tax liability of Mr. Ratan under old tax regime who is handicapped for the Assessment Year 2024-25.

|  |  |
| --- | --- |
| Particulars | Amount (₹) |
| Net Salary | 2,85,000 |
| Annual value of let out house property | 60,000 |
| Lottery Income | 50,000 |
| Taxable Business and Professional Income | 50,000 |
| Prepaid LIC Premium | 10,000 |

Mr. Sunil deposited in LIC annuity Plan Rs.12,000 and paid medical insurance premium Rs.5,000. | **15 Marks** | **Apply** | **CO5** |