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# PRESIDENCY UNIVERSITY

BENGALURU

## Mid - Term Examinations – October 2025

Date: 09-10-2025

Time: 11.45am to 01.15pm

School: SOC	Program: B.COM	
Course Code: COM2015	Course Name: Income Tax	
Semester: III	Max Marks:50	Weightage:25%

CO - Levels	C01	C02	C03	C04	C05
Marks	26	24	-	-	-

### Instructions:

- (i) Read all questions carefully and answer accordingly.
- (ii) Do not write anything on the question paper other than roll number.

### Part A

Answer ALL the Questions. Each question carries 2 marks.

5Q x 2M=10M

1	Compare the concept of Direct Tax and Indirect Tax.	2 Marks	L2	C01
2	Define Assessee as per Income Tax Act, 1961.	2 Marks	L1	C01
3	List out the basic conditions for residential status of an individual in India.	2 Marks	L1	C01
4	Demonstrate two allowances and perquisites.	2 Marks	L2	C02
5	Give the meaning of Provident Fund.	2 Marks	L3	C02

### Part B

Answer ALL the Questions. Each question carries 10 marks.

4Q x 10M=40M

6.	Define Person as per Income Tax Act, 1961. Give a detailed note on the different components of person as per Income Tax Laws.	10 Marks	L1	C01
Or				
7.	Compare the basic conditions and additional conditions for an individual to be declared as Resident and Ordinarily Resident and	10 Marks	L2	C01

	Resident but not Ordinarily Resident in India as per Income Tax Act, 1961 with the help of a suitable illustration. Also, explain who is a Non-Resident.			
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8.	<p>Shivnaraine Chandrapal, a West Indian Cricketer visits India for 120 days in every financial year. He has been doing the same for the past 8 financial year.</p> <p>(a) Find out his residential status for the Assessment Year 2024-25.</p> <p>(b) Explain whether your observation will change if the mentioned facts relate to Mr. Ganguly, an Indian Cricketer who resides in Australia and represents the Australian Cricket Team.</p>	10 Marks	L2	CO1
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**Or**

9.	Mr. Ashwin provides following details of income, calculate the income which is liable to be taxed in India for the assessment year 2025-26 assuming that: A) He is an ordinary resident. B) He is not an ordinary resident.	10 Marks	L2	CO1												
	<table><tr><th>Particulars</th><th>Amount (₹)</th></tr><tr><td>Salary received in India from a former employer</td><td>140000</td></tr><tr><td>Income from the tea business in Nepal being controlled from India</td><td>10000</td></tr><tr><td>Interest on company Deposit in Canada (1/3<sup>rd</sup> received in India)</td><td>30000</td></tr><tr><td>Profit from a business in Mumbai controlled from UK</td><td>100000</td></tr><tr><td>Profit for the year 2022-2023 from a business in Tokyo remitted to India</td><td>200000</td></tr></table>				Particulars	Amount (₹)	Salary received in India from a former employer	140000	Income from the tea business in Nepal being controlled from India	10000	Interest on company Deposit in Canada (1/3 <sup>rd</sup> received in India)	30000	Profit from a business in Mumbai controlled from UK	100000	Profit for the year 2022-2023 from a business in Tokyo remitted to India	200000
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10.	<p>Miss Stuti has the following salary structure:</p> <p>a) Basic salary – ₹ 15,000 p.m.</p> <p>b) Dearness Allowance – ₹ 5,000 p.m. (not forming part of retirement benefit)</p> <p>c) Hostel Allowance – ₹ 1,000 p.m. (does not have any child)</p> <p>d) Tiffin Allowance – ₹ 500 p.m.</p> <p>e) Transport Allowance – ₹ 200 p.m.</p> <p>f) Bonus – ₹ 20,000 p.a.</p> <p>g) Commission – ₹ 15,000 p.a.</p> <p>h) Free refreshment in office worth – ₹ 5,000 p.a.</p> <p>i) Mobile phone facility by employer – ₹ 900 p.m.</p> <p>j) Computer facility worth – ₹ 10,000 p.a.</p>	10 Marks	L3	CO2
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	She has been provided a Rent-free Accommodation (owned by employer) in Kolkata. The house was allotted to her with effect from 1/5/2024 but she could occupy the same only from 1/6/2024. Find her gross taxable salary.			
<b>Or</b>				
<b>11.</b>	Mrs. Payal Retired from Pioneer Ltd. on 29 September 2024 after completing 30 years 9 months of service and received gratuity Of Rupees 2,00,000. Her last drawn Salary: Basic ₹10,000 per month + Dearness allowance ₹5000 per month + Commission being a fixed percentage on turnover ₹2000 per month (Turnover evenly accrued during the previous year) + Commission on profit ₹23000 for this year. Her last increment was on 1 <sup>st</sup> January 2023 ₹1000 in basic and in Dearness allowance ₹500. Find taxable gratuity assuming that she is not covered by the Payment of Gratuity Act.	<b>10 Marks</b>	<b>L3</b>	<b>CO2</b>

<b>12.</b>	<p>Mention the provisions related to taxability of House Rent Allowances as per provisions of Income Tax Act, 1961.</p> <p>Mr. Raj Kumar has the following receipts from his employer.</p> <p>Basic pay ₹40000 pm</p> <p>Dearness allowance ₹60000 pm</p> <p>Commission ₹50000pm.</p> <p>Motor var for personal use (expenses met by employer) ₹1500 pm.</p> <p>House rent allowance ₹15000 pm</p> <p>Find out the amount of the House Rent allowance eligible for exemption to Mr. Raj Kumar assuming that he paid a rent of ₹16000 pm for his accommodation at Kanpur. Dearness allowance forms part of salary for retirement benefit.</p>	<b>10 Marks</b>	<b>L3</b>	<b>CO2</b>
<b>Or</b>				
<b>13.</b>	<p>Mr. Rohith a non-Government employee has the following salary details:</p> <p>a. Basic Salary ₹5,000 p.m.</p> <p>b. D.A. ₹2,000 p.m.</p> <p>c. Entertainment Allowance ₹300 p.m.</p> <p>d. Professional tax paid by employee ₹600</p> <p>e. LIC Premium paid by employer ₹3,600</p> <p>f. Income tax paid by employee ₹2,000</p> <p>g. Professional tax paid by employer on behalf of employee ₹1,600</p> <p>Determine his taxable salary.</p>	<b>10 Marks</b>	<b>L3</b>	<b>CO2</b>