



PRESIDENCY UNIVERSITY

BENGALURU

Roll No.														
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End - Term Examinations - December 2025

Date: 13 - 12- 2025

Time: 09:30am - 12:30pm

School: SOC / SOM (UG)	Program: B.Com (ACCA)	
Course Code : COM2057	Course Name: Income Tax Law and Practice	
Semester: III	Max Marks: 100	Weightage: 50%

CO - Levels	CO1	CO2	CO3	CO4
Marks	18	40	36	6

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 2marks.

10Q x 2M=20M

1.	Losses incurred by an assessee can be set off against incomes earned in the previous year as per the rules of setoff provided in the Income Tax Act. Considering this, recall the rule for setoff of losses under the head Income from Capital Gains.	2 Marks	L1	CO3
2.	Tax Rates of Income Tax depend upon the type of 'person'. List out the different types of 'persons' as provided in the Income Tax Act.	2 Marks	L1	CO1
3.	A individual can avail deductions under Chapter VI A of the Income Tax Act for various payments under the Old Tax Regime. One such deduction is under Section 80D. State the type and amount of deduction allowed under Section 80D.	2 Marks	L1	CO3
4.	An assessee liable to pay tax has to make the payments, which can be either through TDS, Advance Tax or Self Assessment. Write with an example the instance when the tax payment needs to be made through Advance Tax.	2 Marks	L1	CO4
5.	Generally, the Return of Income for the income earned in the Previous Year needs to be filed during the Assessment Year within the due dates provided under the Income Tax Act. Recall what happens if an assessee filed a return with a few omissions of income earned and wants to correct this lapse.	2 Marks	L1	CO4

6.	The default regime for an Individual is the New Regime of Tax. Considering this enumerate any two differences between New Regime and Old Regime of Income Tax.	2 Marks	L1	CO3
7.	An assessee owning a Residential House Property let out the Property for 9 months and Self Occupied for 3 months during the Previous Year. State the implication of this on computation of Income from House Property.	2 Marks	L1	CO2
8.	Assets are classified as Long Term and Short Term based on the period for which the asset was held by the assessee. Recall the rule for classifying the following assets as Long Term and Short Term: a) Gold Jewelry b) Debentures listed on Stock Exchange	2 Marks	L1	CO2
9.	An Indian Citizen moving to USA for employment is seeking your help in understanding the conditions to be satisfied for being a Non Resident in India for Tax purposes. List out the conditions to be satisfied by an Individual for being a Non Resident in India for Income Tax purposes.	2 Marks	L1	CO1
10.	What is a Tax Audit? Also state when does an Individual get bound by the requirements of Tax Audit(Sec 44AB)?	2 Marks	L1	CO4

Part B

Answer ALL the Questions. Each question carries 7 marks.

5Q x 7M = 35M

11.	Tax Evasion, Tax Avoidance and Tax Planning are the common means of reducing the burden of tax. In this context, give two examples for each of the methods, such that it explains how these methods are used to reduce the burden of tax.	07 Marks	L2	CO1
Or				
12.	Explain with examples how being a Non Resident in India is beneficial with regard to taxation of income earned in the Previous Year.	07 Marks	L2	CO1
13.	Ms Shine is a Resident but Not Ordinarily Resident for Tax purposes for the Previous Year 2024-25 and has provided the following details of Income earned for the year: a) Salary earned and received in Singapore ₹14,00,000 b) Salary earned in Singapore but received in India ₹13,00,000 c) Rent from property situated in Bangalore, received in Singapore ₹6,00,000 d) Profit from business carried in Singapore but controlled from Bangalore ₹5,00,000 e) Profit from a business carried in Bangalore but controlled from Singapore ₹2,00,000 f) Interest from 'Indian Bank' Fixed Deposit received in Singapore ₹3,00,000 g) Dividend received in Singapore from Infosys shares ₹1,00,000 Considering the above information and her Residential Status, identify the incomes that are Taxable in India.	07 Marks	L3	CO1
Or				

14.	Mr Anto Sam is a ex Australian Cricketer. He has been coming to India for the last 3 years for Coaching and Commentary assignments. In the Previous Year 2024-25 he came to India on 20 th June 2024 and left in 30 th September 2024. Again he came on 5 th January 2025 and left on 25 th March 2025. Earlier in the Years 2023-24 and 2022-23 he was in India for a 195 and 160 days respectively. From the information, determine the Residential Status of Mr Ano Sam for the Previous Year 2024-25.	07 Marks	L3	CO1
15.	Mr Bhim works for Corp Bank in Mysore and earned the following Salary from April 24 to March 2025: <ul style="list-style-type: none"> • Basic : ₹1,10,000 p.m • DA: 10% of Basic • HRA: ₹20% of Basic • Rent paid: ₹20,000 p.m from April to December only. Taking into account the above information, compute the amount of HRA exemption that can be availed by Mr Bhim.	07 Marks	L3	CO2
Or				
16.	Ms Nancy was gifted a House by her Grand Mother in 2007-08. The value of the House at the time of gift was ₹ 20 Lacs. This house was purchased by her Grand Mother for Rs 4 lacs in the year 2003-04. Ms Nancy sold this House in December 2024 for Rs 95 Lacs. Compute the amount of Taxable Capital Gains for the Previous Year by considering indexation with CII to be 109 for 2003-04, 129 for 2007-08 and 363 for 2024-25.	07 Marks	L3	CO2
17.	Ms Chaya owned a House Property of two floors of equal size. One Floor is Self Occupied and another is Let Out. Other details of the Property is as follows: <ol style="list-style-type: none"> 1) Municipal Value ₹ 340000 pa, 2) Fair Rent ₹ 400000pa 3) Rent received ₹ 180000pa 3) Interest on Housing Loan for the Year ₹ 160000 Compute the Income from House Property of Ms Chaya assuming she opts of Old Tax Regime.	07 Marks	L3	CO2
Or				
18.	Mr Karthick sold a Plot for ₹3 Crs in March 2025. He had spent ₹5 Lacs in Brokerage and Advertisement for selling the Plot. His Cost of Acquisition for this Plot in the Year 2012-13 was ₹ 28 lacs. From the sale proceeds, Mr Karthick purchased a House for Rs 2.2 Crs. This is the first time he is owning a house. From the above information, Compute the amount of Long Term Capital Gains that will be subject to Tax.	07 Marks	L3	CO2
19.	Mr. Rohan runs a manufacturing business and provides the following details of his Plant & Machinery and Furniture & Fittings for the Previous Year 2024–25. Block 1: Plant & Machinery (Rate: 15%) <ul style="list-style-type: none"> • Opening WDV (1-4-2024): ₹18,00,000 • Additions during the year: <ul style="list-style-type: none"> ○ New machine purchased on 10-05-2024 for ₹7,50,000 (put to use on the same day) 	07 Marks	L3	CO2

	<ul style="list-style-type: none"> ○ Another machine purchased on 15-12-2024 for ₹4,00,000 (put to use on 20-12-2024) • Sale during the year: <ul style="list-style-type: none"> ○ Machine sold on 05-02-2025 for ₹8,00,000 <p>Block 2: Furniture & Fittings (Rate: 10%)</p> <ul style="list-style-type: none"> • Opening WDV (1-4-2024): ₹5,40,000 • Additions during the year: <ul style="list-style-type: none"> ○ Furniture purchased on 28-09-2024 for ₹2,00,000 (used on the same day) • No sale during the year. <p>Compute the Depreciation allowable for Income Tax purposes for the Previous Year 2024–25</p>			
Or				
20.	<p>During the Previous Year 2024–25, Ms. Haritha, aged 32, received the following gifts from various persons on different occasions:</p> <ol style="list-style-type: none"> 1) Cash gift of ₹65,000 from her college friend on her birthday. 2) Diamond bracelet worth ₹1,25,000 from her mother’s sister. 3) Cheque of ₹48,000 from her younger brother on Raksha Bandhan. 4) Painting worth ₹2,40,000 received from her neighbour during Diwali. 5) Cash gift of ₹1,10,000 pooled by colleagues during her engagement ceremony. 6) Vacant land valued at ₹18,00,000 received from her father’s cousin (uncle’s son) without consideration. <p>Assess the taxable amount of gifts, in the hands of Ms. Haritha for the PY 2024–25.</p>	07 Marks	L3	CO2

Part C

Answer any three Questions. Each question carries 15marks

3Q x 15M=45M

21.	<p>Mr. Randhir aged 64 years, has provided you, the following information for the Previous Year 2024–25:</p> <ul style="list-style-type: none"> • Pension from Employer ₹4,60,000 • Gross rent received from Let Out House Property ₹3,60,000; • Municipal taxes paid during the year ₹18,000; • Interest on Housing Loan for Let Out House Property ₹1,20,000 • Short Term Capital Gains on Equity Mutual Funds ₹92,000 • Long Term Capital Gain with Indexation on Flat ₹6,60,000 • Brought forward Short Term Loss ₹ 50,000 • Fixed Deposit Interest earned ₹1,30,000 • Savings Bank Account Interest earned ₹54,000 • Lif Insurance Premium paid ₹88,000 • Medical Insurance Premium paid for self and Spouse ₹45,000 • TDS deducted on Pension by Employer ₹28,000 <p>Compute the Total Income, Total Tax Liability and Balance Tax to paid or Refunded considering that Mr Randhir opts for Old Tax Regime.</p>	15 Marks	L3	CO3
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22.	<p>Mr. Maruthi, a resident aged 44 years owns two residential house properties in Bengaluru during the Previous Year 2024–25. The details of each property are given below:</p> <p>House Property A – Let Out</p> <p>Property Details</p> <ul style="list-style-type: none"> • Municipal Value (MV): ₹3,20,000 • Fair Rent (FR): ₹3,60,000 • Standard Rent (SR): ₹3,40,000 • Actual Rent Expected (Full Year): ₹30,000 per month • Actual Rent Received (10 months): ₹2,80,000 • Vacancy Period: 2 months due to renovation • Municipal Taxes Paid: ₹40,000 • Unrealized Rent (conditions under Rule 4 satisfied): ₹25,000 • Interest on Housing Loan: ₹2,60,000 <p>House Property B – Self-Occupied</p> <ul style="list-style-type: none"> • Interest on Housing Loan for the year: ₹2,40,000 • Pre-construction Interest: ₹1,20,000 (construction completed in FY 2021–22) • Municipal taxes: ₹20,000 <p>Assuming that Mr Maruthi has no other Income for the Previous Year, compute his Tax Liability under the Old Tax Regime.</p>	15 Marks	L3	C03
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23.	<p>Ms Shabina (Age 54) is a resident individual and owns three residential houses, all of which are used for her own self occupation during the Previous Year 2024–25. Considering the information provided below, you are required to Select the House that needs to be considered as Self Occupied by computing the Income from House Property from all the three houses.</p> <p>Details of the houses are as follows:</p> <table border="1" data-bbox="220 1451 1157 1839"> <thead> <tr> <th></th> <th>Mangalore House</th> <th>Mumbai House</th> <th>Mohali House</th> </tr> </thead> <tbody> <tr> <td>Municipal Value</td> <td>₹380000</td> <td>₹560000</td> <td>₹220000</td> </tr> <tr> <td>Fair Rent</td> <td>₹440000</td> <td>₹690000</td> <td>₹260000</td> </tr> <tr> <td>Standard Rent</td> <td>₹360000</td> <td>₹450000</td> <td>₹280000</td> </tr> <tr> <td>Municipal Tax Paid</td> <td>₹38000</td> <td>₹56000</td> <td>₹14000</td> </tr> <tr> <td>Interest on Housing Loan</td> <td>₹260000</td> <td>₹320000</td> <td>₹120000</td> </tr> </tbody> </table> <p>Note that Ms Shabina is opting for the Old Tax Regime.</p>		Mangalore House	Mumbai House	Mohali House	Municipal Value	₹380000	₹560000	₹220000	Fair Rent	₹440000	₹690000	₹260000	Standard Rent	₹360000	₹450000	₹280000	Municipal Tax Paid	₹38000	₹56000	₹14000	Interest on Housing Loan	₹260000	₹320000	₹120000	15 Marks	L3	C02
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24.	<p>Ms. Kirthi has provided the income details for the Previous Year 2024-25:</p> <ol style="list-style-type: none"> 1) Income from Salary (Computed): ₹10,80,000 2) Income from Other Sources (FD interest): ₹1,20,000 3) Income from Long Term Capital Gains (Computed using Indexation Benefit) ₹ 6,80,000 4) Income from Agriculture ₹6,60,000 5) Life Insurance Premium paid ₹60,000 6) Contribution to PPF ₹90,000 7) Medical insurance premium paid (Self) ₹30,000 <p>Considering New Tax Regime, Calculate the amount of Self Assessment Tax Payable for the Previous Year 2024-25, by Ms Kirthi assuming that she has ₹ 80,000 of TDS deducted by her employer and she has also paid Advance Tax of ₹60,000 within the due dates.</p>		L3	C03
25.	<p>Mr. Natraj (Age 39) a Resident, has reported the following information for the Previous Year 2024-25. Compute his Total Income under Old Regime considering Setoff , Brought Forward and Carry Forward of Losses:</p> <p>Income from Salary (Computed) ₹ 990000 Income from Self Occupied House (₹ 200000) Income from Let Out House (Computed) ₹ 420000 Steel Business Income ₹ 680000 Textile Business Income (₹340000) Brought Forward Business Loss ₹ 90000 Short Term Capital Gain on Shares ₹ 70000 Long Term Capital Gain on Shares ₹ 150000 Brought Forward Short Term Capital Loss ₹ 200000 Brought Forward Long Term Capital Loss ₹ 130000 Interest on Fixed Deposits ₹ 60000 Winning from Lottery ₹ 200000 Life Insurance Premium Paid ₹ 80000 ELSS Mutual Fund Investment ₹ 120000 Investment in PPF Account ₹ 100000</p>	15 Marks	L3	C03