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**Presidency University**

**Bengaluru**

**SCHOOL OF COMMERCE**

**Make-Up Examinations, July 2024**

**Winter Semester**: 2023-24

**Course Code**: COM3025

**Course Name**: INCOME TAX-II

**Program & Sem**: BCOM

**Date**: 03-07-2024

**Time**: 9:30AM -12:30PM

**Max Marks**: 100

**Weightage**:50%

**Instructions:**

1. *Read the all questions carefully and answer accordingly.*
2. *Question paper consists of three parts.*
3. *Scientific and Non Programable Calculators are Permitted.*
4. *Do not write any information on the question paper other than roll number.*

**Part A**

**Answer any FIVE questions (5Qx 2M=10M)**

1. Mention two sources of income chargeable under the head “Income from other sources”.

 (CO1) [Understanding]

2. List out four deductions under Chapter VI-A of the Income Tax Act, 1961. (CO1) [Understanding]

3. Define a block of assets. (CO2) [Understanding]

4. Observe the conditions of allowance of depreciation. (CO1) [Understanding]

5. Explain any two exceptions to short term capital assets. (CO3) [Understanding]

 6. Describe what do you understand by long term capital assets. (CO4) [Remember]

7. Explain the meaning of Cost Inflation Index. (CO3) [Remember]

**Part B**

**Answer any FIVE Questions. (5Qx 10 M=50M)**

1. Discuss the meaning of Short-Term Capital Assets and Long-Term Capital Assets mentioning the different exceptions as per Income Tax Act, 1961. (CO3) [Application]
2. Discuss the provisions with regard to deductions under Tea, Coffee and Rubber Development Account. (CO1) [Understanding]
3. Discuss the provisions related to inter head adjustment under section 71 for set-off and carry forward of losses. (CO5) [Understanding]
4. Mr. Akash, a tax consultant based at Mumbai, provides the following information:
5. The Gross total Income of Mr. Akash is ₹18,00,000 (income from profession ₹17,00,000 and interest on bank deposit ₹1,00,000).
6. He pays ₹3,00,000 as house rent.
7. He deposits ₹50,000 in public provident fund.

Compute his taxable income for the assessment year 2024-25.

1. Discuss the provisions with regard to deductions in respect of medical insurance premium as per Section 80D of the Income Tax Act, 1961. (CO4) [Application]
2. Mr. Suryakumar receives the following gifts during PY 2023-24:

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. 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)

Compute Income chargeable in hands of Mr. Suryakumar under the head other sources for AY 2024-25. (CO3) [Application]

1. Describe the provisions with regard to expenditures on Scientific Research as per Sec 35 of the Income Tax Act, 1961. (CO1) [Understanding]

**Part C**

**Answer any TWO Questions. (2 Qx 20 M=40M)**

15. Summarise the concept of capital gains illustrating its classification with exceptions as per Sec 48 of Income Tax Act, 1961. (CO2 [Application]

16. Mr. Gopinath, a designer, based at Delhi, provides the following information:

1. Income from house property ₹2,00,000
2. Mr. Gopinath owns a small store and his business income during the PY 2023-24 was ₹5,00,000. However, in the PY 2022-23, he incurred losses of ₹2,00,000 out of which ₹1,00,000 was set-off.
3. He has professional income of ₹10,00,000 during the previous year.
4. He pays ₹3,00,000 as house rent.
5. He deposits ₹30,000 in public provident fund and invested ₹20,000 in life insurance premium.

Compute his taxable income and tax liability for the assessment year 2024-25. (CO5 [Applicatio

16. Describe the various admissible and inadmissible deductions for computation of profits and gains from business or profession U/S 30 to 37 of Income Tax Act, 1961. (CO4) [Application]