

18. Shri Nemi Kumar of Mumbai submits the following Trading and P &L Account for the year ended 31st March, 2025. He is also in employment with a cinema company in Mumbai. Compute his gross total income according to the provision of the I.T act, 1961 for the Assessment Year 2025-26.

Trading and profit & loss account for year ended 31<sup>st</sup> March 2025.

Opening stock	60,000	Sales	6,20,000
Purchase	3,90,000	Closing stock	80,000
Freight	15,000		
Gross profit c/d	2,35,000		
	<b>7,00,000</b>		<b>7,00,000</b>
Salaries and wages	14,800	Gross profit b/d	2,35,000
Rent and taxes	3,800	Dividend on shares(gross)	2,000
House hold expenses	2,400	Rent from building let out	4,800
Income tax	600		
Postage and telegrams	400		
Donations	500		
Life insurance premium	1,800		
Audit fees	200		
Reserve for doubtful debts	680		
Bad debts	420		
Miscellaneous Expenses	600		
Depreciation	500		
Net profit	2,15,100		
	<b>2,41,800</b>		<b>2,41,800</b>

Following information is also available:

- He has received salary of Rs. 62,000 from the cinema company in Mumbai and has contributed 15% of his salary towards the recognised provident fund.
- Purchases included Rs. 5,000 advances to suppliers in March 2025 against goods to be delivered in April 2025.
- Rent and taxes include Rs. 1800 being municipal taxes paid for the building let out
- The life insurance premium is paid in respect of a policy with sum assured Rs. 15,000
- Donation is paid to the charitable institution recognised under section 80G of the I.T act 1961.
- Miscellaneous expenses include Rs 400 being the purchase of books for the employment.
- Depreciation permissible is Rs. 400

(2 × 5 = 10 Weightage)

\*\*\*\*\*

**24P343**

(Pages: 4)

Name: .....

Reg. No: .....

**THIRD SEMESTER M.Com. DEGREE EXAMINATION, NOVEMBER 2025**

(CBCSS-PG)

(Regular/Supplementary/Improvement)

**CC19PMCM3C12 – INCOME TAX: LAW, PRACTICE AND TAX PLANNING – I**

(Commerce)

(2019 Admission onwards)

Time Three Hours

Maximum: 30 Weightage

**Part –A**

Answer any *four* questions. Each question carries 2 weightage.

- Differentiate between Tax Planning and Tax Evasion.
- What are the provisions of Income Tax Act regarding Gratuity?
- Explain Capital Receipts and Revenue Receipts.
- What is meant by clubbing of income?
- What is Best Judgement Assessment?
- What do you mean by bond washing transaction?
- What do you mean by advance payment of tax?

(4 × 2 = 8 Weightage)

**Part –B**

Answer any *four* questions. Each question carries 3 weightage.

- What are the provisions regarding set-off of losses?
- Explain the provisions relating to deductions u/s 80 G.
- Explain the various forms used for filing Income Tax Return.
- Mr. Lal owns a big house, 50% of the floor area is let-out for residential purpose on a monthly rent of Rs. 22500. 25% of the floor area is used by the owner for the purpose of his profession; while remaining 25% of the floor area is utilized for the purpose of his residence. Other particulars of the house are as follows: (i) Municipal valuation Rs. 6,00,000 (ii) Standard rent Rs. 9,00,000 (iii) Municipal tax paid Rs. 80,000 (iv) Repairs Rs. 30,000 (v) Interest on capital borrowed for repairs Rs. 3,00,000 (vi) Ground rent Rs. 8,000 (vii) Annual charges Rs. 10,000 (viii) Fire insurance premium Rs. 12,000 Compute the taxable income from house property of Mr. Lal for the AY 2025-26.

(1)

**Turn Over**

12. The following details have been supplied by the Karta of a Hindu Undivided Family. You are to compute the gross total income and the total income of the family for the Assessment Year 2025-26:

Profits from business	Rs. 6,52,000
Salary received by a member of the family for his service elsewhere	Rs. 3,30,000
Director's fees received by the Karta by his personal exertion	Rs. 76,000
Annual Rental Value of the property let	Rs. 12,000
Municipal Taxes paid	Rs. 1000
Dividends	Rs. 500
Long-term capital gains	Rs. 30,000
Donations to an approved charitable institution by cheque	Rs. 70,000
Share of Profit from a firm	Rs. 80,000

13. From the following incomes which incomes are assessable in India if the assessee is

(a) Ordinarily Resident, (b) Not ordinarily resident, and (c) Non-resident:

Income from business in Kolkata, managed in U.S.A. - Rs. 25,000
Income from pension for services rendered in India, received in London - Rs. 15,000 (computed).
Income from assets in Burma, received in India - Rs. 10,000.
Profit from business in Sri Lanka, deposited in a bank there - Rs. 15,000.
Income from profession in Kenya received there. The profession was set-up in India - Rs. 15,000.
Interest on U.K. Government securities, half of which received in India - Rs. 5,000.
Interest on England Development Bonds (1/5 received in India) - Rs. 50,000.
Income from agriculture in America, received there, but later on remitted to India - Rs. 81,000.
Income from property in Canada, received outside India - Rs. 40,000.
Income earned from business in Japan, which is controlled from Delhi (Rs. 25,000 is received in India) - Rs. 45,000
Profit on sale of a building in India but received in Sri Lanka - Rs. 18,000.
Salary received in India for services rendered in London - Rs. 8,000 (computed).
Income earned and received in Bangladesh from bank deposits there - Rs. 6,000.
Income accrued in Bhopal but received in Singapore - Rs. 6,000.
Income from agriculture in England, it is all spent on the education of children in London - Rs. 5,000.

(2)

14. During the financial year 2025-26 find out the tax to be deducted at source in the following cases, if the recipient is an individual and resident in India:

Income from Interest on Securities (listed)	Rs. 6000
Payment regarding lottery winnings	Rs. 500
Dividends from domestic company	Rs. 12000
Winnings from a horse race	Rs. 20,000
Winnings from another horse race	Rs. 2,000
Commission to lottery agent	Rs. 25,000
Insurance commission	Rs. 34,000

(4 × 3 = 12 Weightage)

### Part- C

Answer any *two* questions. Each question carries 5 weightage.

15. Explain the exempted capital gains u/s 54 of Income Tax Act
16. Name the various Income tax authorities and state the powers and functions of CBDT.
17. From the following information compute tax payable by Smt. Ram for the Assessment Year 2025-26.

Income from House Property (computed)	Rs. 80,000
Interest on Government Securities	Rs. 10,000
LTCG u/s 112	Rs. 50,000
Income from Business	Rs. 10,55,000
Agricultural Income	Rs. 1,00,000
Amount withdrawn from Public Provident Fund	Rs. 50,000
Purchased N.S.C. VIII Issue	Rs. 30,000
Deposited in PPF	Rs. 60,000
Subscription to eligible issue of capital	Rs. 35,000

(3)

Turn Over