

27. Shri. Dileep Ram is a registered medical practitioner. He keeps his books on cash basis and his summarized cash account for the year 31st March, 2025 is as under:

Balance b/d	5,850	Cost of medicines	12,000
Loan from bank for professional purposes		General expenses	450
	10,000	Motor car expenses	6,000
Sale of medicines	26,500	Salaries	1,200
Consultation fees	16,000	Rent of dispensary	2,400
Visiting fees	3,000	Telephone expenses	500
Interest on government securities	3,600	Personal expenses	1,600
Rent from house property	8,000	Life insurance premium	2,500
Gift from father in law	5,000	Interest on loan from bank	200
Gift from patients	2,000	Insurance premium on car	700
		Insurance premium on house property	500
		Local taxes	800
		Travelling expenses (personal)	1,000
		Charity	100
		Balance c/d	50,000
	79,950		79,950

Compute his income from profession and house property for the Assessment Year 2025-26 taking into account the following further information:

- (i) ½ motor car expenses are in respect of his personal use.
- (ii) The following expenses were unpaid on 31st March, 2025: Rent of dispensary for 4 months Rs. 1,200, Telephone bills Rs. 280
- (iii) Consultation fees include a receipt of Rs. 6,000 as advance for attending a medical camp in April 2025.
- (iv) The written down value of motor car on 1.4.2024 was Rs. 12,720. Rate of depreciation 15%.

(2 × 10 = 20 Marks)

FIFTH SEMESTER B.Com. DEGREE EXAMINATION, NOVEMBER 2025

(CBCSS-UG)

(Regular/Supplementary/Improvement)

CC19UBCM5B09 / CC20UBCM5B09 – INCOME TAX LAW AND ACCOUNTS

(Commerce: Finance / Taxation – Core Course)

(2019 Admission onwards)

Time: 2 ½ Hours

Maximum: 80 Marks

Credit: 4

Part A (Short answer questions)

Answer **all** questions. Each question carries 2 marks.

1. Who is a deemed assessee?
2. What are the additional conditions to become a resident of an individual?
3. Name any two tax free allowances.
4. Explain section 24 of income tax act.
5. What is unabsorbed depreciation?
6. How is short term capital gain computed?
7. Define 'Profession'.
8. What do you mean by full value of consideration?
9. Which are the allowable deductions available from salary under section 16?
10. Give any five examples of expressly disallowed expenses while computing business income.
11. How is the cost of acquisition of an asset acquired before 1.4.2001 determined?
12. What is a bond washing transaction?
13. Name any 5 tax free government securities.
14. What is vacancy period?
15. Distinguish between LTCG and STCG.

(Ceiling: 25 Marks)

Part B (Paragraph Questions)

Answer **all** questions. Each question carries 5 marks.

16. Briefly explain the exemptions available from capital gains u/s 54EC.
17. Sai, an Indian citizen, leaves India to UK for a job on 21.9.2023. What will be his residential status for the Assessment Year 2025-26 if he has never left India earlier?
18. Distinguish between SPF, RPF, URPF and PPF.
19. Mr. X has retired from a private company on 30th November, 2024. He was working since 1st March, 1998. He received Rs. 8,00,000 as gratuity. His salary grade was 20,000-400-32,000-800-60,000 since 1st March 2013. He was also getting DA @ 25% of basic salary. Calculate his taxable amount of gratuity if he doesn't come under Gratuity Act.

20. From the following figures, you are required to ascertain the depreciation admissible and other liabilities, if any, in respect of the previous year relevant to the Assessment Year 2025-26:

W.D.V. at the beginning of the year	Plant & Machinery Rs. 2,50,000	Building Rs. 10,00,000
Additions during the year	Rs. 3,00,000	Nil
Sales during the year	Rs. 6,00,000	Rs. 2,00,000

21. Mr. R retires from private service on 30th April 2024 and his pension has been fixed at Rs. 6,000 p.m. He gets $\frac{1}{2}$ of his pension commuted and gets Rs. 3,00,000. He also received Rs. 1,50,000 as gratuity. In all cases, pension becomes payable on the first day of next month. Calculate taxable pension.

22. Sri. Soy has a house property let out for residential purposes. The following are the details of the property let out:

Municipal rental value Rs. 8,500 p.m. Actual rent realized Rs. 9,000 p.m.

Rent payable under Rent Control Act Rs. 8,500 p.m. The rent payable for a similar house is Rs. 9,000 p.m.

He has paid 15% of the municipal valuation as local taxes, 2% of valuation as education and health cess. The construction of property began in September, 2019 and completed in February 2022. He has borrowed loan for the construction of the house property, on which he has paid Rs. 2,00,000 as interest up to 31.3.2021 and Rs. 50,000 as interest during the previous year. Fire insurance premium paid Rs. 2,000 p.a. Compute the income from house property for the Assessment Year 2025-26.

23. Profit and Loss Account of a trader shows a Net Profit of Rs. 3,38,000 after debiting following items. Find out income from business for the Assessment Year 2025-26.

1. Payment of income tax Rs. 7,000 and income tax proceedings expenses Rs. 11,000.
2. Interest on loan taken for payment of income tax Rs. 1,000.
3. GST Rs. 1,800 and interest Rs. 4,000 for delay payment of GST.
4. Cash payment to a creditor Rs. 28,000.
5. Municipal tax Rs. 1,800. 1/3 portion of the house is used for business and half portion is used for self-residence and remaining portion is let out.
6. Income of Rs. 750 accrued during the previous year is not recorded in P/L A/c.

Aforesaid net profit includes Rs. 3,000 for recovery of old bad debts, which were disallowed by Income Tax Officer in past.

(Ceiling: 35 Marks)

Part C (Essay questions)

Answer any **two** questions. Each question carries 10 marks.

24. Sri. Mahesh Kumar is getting Rs. 15,000 p.m. as basic pay, Rs. 1,500 p.m. as dearness pay and Rs. 500 p.m. as dearness allowance. During the previous year he received the following allowances also:

(2)

1. Rs. 60,000 as allowance for reimbursement of personal expenditure while on duty during the running of truck.
2. Rs. 120 p.m. per son as education allowance for the education of his two sons.
3. Both of these sons are living in hostel on whom Sri. Mahesh Kumar is spending Rs. 500 p.m. per son. He is getting Rs. 350 p.m. per son as hostel allowance for meeting this expenditure.
4. Rs. 350 p.m. as tribal area allowance.
5. Rs. 100 p.m. as conveyance allowance which is used by him for private purposes.
6. Rs. 3,000 p.m. as House Rent Allowance.

Sri. Mahesh Kumar has taken a house for his residence at Bilaspur at Rs. 4,000 per month as rent. He contributes 12% of his basic pay and dearness pay to his recognized provident fund and the employer also contributes a similar amount. Compute the taxable salary of Sri. Mahesh Kumar for the Assessment Year 2025-26.

25. Define perquisite. Explain the different types of perquisites.
26. Mr. Ramesh gives you the following particulars of his investments and incomes for the previous year ended 31st March, 2025.
 1. Dividend received from a U S company Rs. 60,000 (after TDS in New York Rs. 10,000).
 2. Dividend from an Indian company engaged in agricultural activities Rs. 20,000.
 3. Dividend from an Indian company engaged in non-agricultural business Rs. 10,000.
 4. Rs. 40,000 units of Mutual Fund (income received Rs. 8,000).
 5. Rs. 50,000 in post office savings bank account which earn interest @ 5% p.a.
 6. Rs. 50,000 fixed deposit account with a scheduled bank @ 8%.
 7. 10% Rs. 25,000 debentures (listed) of a domestic company.
 8. Rs. 5,000 dividend received from a co-operative society.
 9. 10% KSEB bonds Rs. 20,000.
 10. Interest Rs. 9,000 on 10% tax-free debentures of a Municipal Corporation.
 11. Rs. 4,000 received by an account payee cheque as interest on debentures of a listed company.

He collected the interest himself and claims Rs. 1,000 collection charges. Compute the income under the head 'income from other sources' for the assessment year 2025-26.

(3)

Turn Over