

Reg. No. :

Code No. : 12052 E Sub. Code : CECO 51

B.Com. (CBCS) DEGREE EXAMINATION,
APRIL 2025.

Fifth Semester

Commerce

Major Elective — INCOME TAX LAW AND
PRACTICE

(For those who joined in July 2021 and 2022 only)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. Income Tax is a _____

- (a) Professional tax (b) Direct tax
(c) Indirect tax (d) Service tax

2. Assessment Year is the period of 12 month commencing on 1st day of

- (a) April every year
- (b) December every year
- (c) July every year
- (d) January every year

3. Income from salary is explained in the section _____

- (a) 12 to 14 (b) 15 to 17
- (c) 18 to 22 (d) 24 to 26

4. Rule _____ explain the taxation of HRA.

- (a) 2 (b) 2A
- (c) 2AA (d) 2AB

5. Annual value is defined as per section _____

- (a) 21 (1) (b) 22 (1)
- (c) 23 (1) (d) 24 (1)

6. Which of the following is deductible from the annual value of HP?

- (a) Municipal Taxes paid
- (b) Municipal taxes paid by the owner
- (c) Municipal taxes paid by the owner for the previous year
- (d) Municipal taxes paid by the owner during the previous year

7. Any payments made outside India and TDS is not paid, then it is _____

- (a) Allowed (b) Disallowed
- (c) Partly allowed (d) None of these

8. Income from illegal business is _____

- (a) Partly taxable (b) Taxable
- (c) Exempted (d) None of these

9. Payment of Gratuity Act came into force in _____

- (a) 1973 (b) 1980
- (c) 1991 (d) 1972

10. The entertainment allowance is applicable to _____

- (a) Private sector employees
- (b) Public sector employees
- (c) Government employees
- (d) All of the above

PART B — (5 × 5 = 25 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 250 words.

11. (a) What is meant by Agricultural Income?

Or

- (b) Mr. Williams will get the status "Non-Resident", she he does not satisfy the basic conditions itself as he had stayed only for 40 days in the previous year 2018-2019. From the following details calculate the total income of Mr. Williams if he is ordinary resident, not ordinary resident and non-resident.

Page 4 Code No. : 12052 E

(i) Dividend from Indian company Rs. 1,00,000

(ii) Dividend from foreign company Rs. 1,50,000, received in India.

(iii) Income from business in Kenya but controlled from India Rs. 20,00,000

(iv) Income accrued in Switzerland Rs. 2,50,000, 2/5th received in India

(v) Income from business in China but controlled from America Rs. 5,00,000.

12. (a) Mr. Sid, a British national, joined XYZ Co. Ltd, as an engineer in India on 1st May 2010 On 31st December 2011, he went to Sri Lanka on deputation. On 1st April 2016, he came back to India and left for Sri Lanka again on 31st May 2016. He returned to India and joined his original post on 1st July, 2020. Determine his residential status for the A.Y.2021-22.

Or

(b) State any four exempted allowances.

Page 5 Code No. : 12052 E

13. (a) Sushil has a house property in Delhi whose Municipal Value is Rs. 1,00,000 and the Fair Rental Value is Rs. 1,20,000. It was self-occupied by Sushil from 1.4.2022 to 31.7.2022. With effect from 1.8.2022 it was let out at Rs. 9,000 per month. Compute the annual value of the house property for the assessment year 2023-24 if the municipal taxes paid during the year were Rs. 20,000.

Or

- (b) What are the deductions for the calculation of income from House Property?
14. (a) What is income from other sources?

Or

- (b) How are gifts and cash prizes taxed under income from other sources?
15. (a) What is Income Tax Rebate?

Or

- (b) What is the meaning of Tax Deducted at Source? Explain the types of TDS.

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 600 words.

16. (a) What are the different types of Residential Status Under income tax Act?

Or

- (b) Indian citizen and businessman Shri Raj Gopal, who resides in Jaipur, went to Germany for employment purposes on 15-8-2023 and came back to 10-11-2024. He has never been out of India in the past.

(i) Describe residential status of Shri Raj Gopal for the assessment year 2024-25.

(ii) Will your answer be different if he had gone on a leisure trip?

17. (a) Mr. Sree Sugi receives the following allowances during the Previous Year 2023-2024 Calculate the taxable income of Mr. Sree Sugi

| | Rs. |
|---|--------|
| (i) High cost of living allowance | 20,000 |
| (ii) City compensation allowance | 7,500 |
| (iii) Subsidized lunch allowance | 2,800 |
| (iv) Marriage allowance | 1,200 |
| (v) Helper allowance (Expenditure Rs. 1,200) | 1,280 |
| (vi) Medical allowance (Expenditure Rs. 9,800) | 8,200 |
| (vii) Travelling allowance (Expenditure Rs. 150) | 650 |
| (viii) Children education allowance (Expenditure Rs. 15,000) | 12,000 |
| (ix) Overtime allowance | 500 |
| (x) Education allowance (grandchildren) | 5,000 |
| (xi) Entertainment allowance | 13,800 |
| (xii) Warden ship allowance | 1,380 |
| (xiii) Basic Pay (Rs.2,500 per month) | 30,000 |

Or

- (b) Explain the different forms of salary.

Page 8 Code No. : 12052 E

18. (a) How to calculate Income for Self-Occupied House Property?

Or

- (b) Mr. Sekar is the owner of two houses (covered under the Rent Control Act) which are let at Rs. 1,000 per month and Rs. 1,500 per month municipal taxes on these houses are paid by the owner which amount to Rs. 800 and Rs. 1,000 respectively (being 10% of municipal valuation). The standard rents fixed under the Rent Control Act are Rs. 14,000 and Rs. 16,000 per annual respectively. Fair rent of these two houses is Rs. 13,000 and Rs. 14,000 respectively. What will be their annual value?

19. (a) What are the Incomes Chargeable as Profit and gains and profession?

Or

- (b) How to calculate the income from capital gains?

Page 9 Code No. : 12052 E

20. (a) Explain the income tax provisions related to governing the set off and carry forward of losses.

Or

(b) What are the forms of return prescribed under the Income-tax Law?
