



Avinashilingam Institute for Home Science and Higher Education for Women

Deemed to be University under Category 'A' by MHRD, Estd. u/s 3 of UGC Act 1956 (now MoE)
Re-accredited with A++ Grade by NAAC. Recognised by UGC under Section 12B
Coimbatore - 641 043, Tamil Nadu, India

Continuous Internal Assessment – I February, 2025
IV Semester

Class : II UG

Major: B.Com / B.Com CS

Time : 2 Hours

Max. Marks : 60

23BCOC08/23BCRC08 Income Tax Law and Practice

Course Outcomes:

- CO1: Comprehend the concepts of taxation, including assessment year, previous year, assesses, personal income, total income, agricultural income and determine the residential status of persons.
CO2: Compute income under different heads, applying the charging provisions, deeming provisions, exemptions and deductions.
CO3: Apply the clubbing provisions and provisions relating to Set-off and Carry Forward of Losses to determine the Gross Total Income.
CO4: Calculate the tax liability of an individual and HUF as well as deductions from gross total income and determine the total income of an Individual and HUF.
CO5: Comprehend the provisions relating to filing of return of income.

Part – A

Choose the correct answer.

6X1=6

01. The primary purpose of taxation is CO1 K1
a) To regulate the prices of goods and services
b) To generate revenue for government expenditure
c) To create unemployment d) To control the stock market
02. The basic source of income-tax law is – CO1 K1
a) Income-tax Act, 1961 b) Income-tax Rules, 1962
c) Circulars/Notifications issued by CBDT d) Judgments of Courts
03. The maximum ceiling limit for exemption under section 10(10) in respect of gratuity for employees covered by the Payment of Gratuity Act, 1972 is CO1 K2
a) Rs.10, 00,000 b) Rs. 5, 00,000 c) Rs. 3, 50,000 d) Rs. 20, 00,000
04. The HRA paid to an employee residing in Patna is exempt up to the lower of actual HRA, excess of rent paid over 10% of salary and – CO2 K2
a) 30% of salary b) 40% of salary c) 50% of salary d) 60% of salary
05. Treatment of unrealized rent for determining income from house property CO3 K4
a) To be deducted from expected rent b) To be deducted from actual rent
c) To be deducted under section 24 from annual value
d) To be deducted from both expected rent and actual rent
06. Incomes which accrue or arise outside India but received directly in India are taxable in case of CO3 K2
a) Resident and ordinarily resident only
b) Both resident and ordinarily resident and resident but not ordinarily resident
(c) Non-resident (d) All the above

Part – B

Answer the following questions

3X6=18

7. (a) Mr. Vasanth went to W. Germany for diploma course on 5th August 2023 and came back to India on 25th February 2024. His family (wife and children's) remained in India. He had never been out of India before. What is his residential status for the year ending on 31.03.2024. CO1 K3

(OR)

7. (b) From the following particulars of income furnished by Mr. Ramesh pertaining to the year ended 31.3.2023, compute the total income for the assessment year 2024-25, if he is: CO2 K3

(i) Resident and ordinary resident; (ii) Resident but not ordinarily resident; (iii) Non-resident

Sl. No.	Particulars	Amounts in Rs.
01.	Short term capital gains on sale of shares of an Indian Company received in Germany	Rs. 15,000
02.	Dividend from a Japanese Company received in Japan	Rs.10,000
03.	Rent from property in London deposited in a bank in London, later on remitted to India through approved banking channels	Rs. 75,000
04.	Dividend from RP Ltd., an Indian Company	Rs. 6,000
05.	Agricultural income from land in Gujarat	Rs. 25000

8. (a) Show how the following incomes are to be assessed in the hands of an assessee who is: (a) resident (b) non-resident and (c) not ordinarily resident / **CO2 K3**

- (a) Salary drawn during the year for employment outside India from Government of India
Rs.93,500
(b) Salary drawn for employment in London office of an Indian Company for three months
Rs.18,000
(c) Profits earned abroad & received in India Rs.25,000
(d) Profit earned from business transactions outside India & kept in Bank there Rs.18,000
(e) Dividend received from an Indian Company Rs. 3,000

OR

8. (b) (i) Mrs. Leela was appointed as Reader in Kolkata University in the scale of Rs.12,000-420-18,300 on 01.09.2019. Compute his salary income for the previous year 2023-2024 if
(a) Salary is due on 01st of every month; (b) Salary is due on last date of every month.

9. (a) (ii) Compute taxable part of annual accretion from information given below:
(a) Salary @ Rs.4,800 p.m
(b) Commission @ 1% of turnover of Rs. 2,40,000 achieved by him during the previous year
(c) Employer's contribution to RPF @ 700 p.m
Interest credited to RPF balance @12% p.a. is Rs.7,200 **CO3 K3**

OR

9. (b) Differentiate the Annual Value and Annual Rental Value **CO3 K3**

Part – C

3 x 12= 36

Answer the following

Answer should not exceed 800 words

10. (a) Mr.Krishnan an Indian citizen leaves India for the first time on 31st May 2019 and comes back on 15th May 2022. He again leaves India on 10th June 2023 to come back on 14th January 2024. He is living in India since then. Determine his status for the previous year 2023-2024.

- (b) (i) Mr.Raghul comes to India on 10th May 2021 after staying for 10years in USA. He stays in India up to 4th January 2024 and leaves India on 5th January 2024for USA. During his stay in India he did not stay for more than 15days at any particular place as he was exploring the possibilities of a new business. Determine his status for the previous year 2023-2024.

- (ii) What difference it will make if he comes to India after 4 years stay in USA and prior to that he was in India. **CO1 K3**

OR

- 10.(b) Following are the particulars of income of Mr. BTR for the assessment year 2024 – 2025

CO1 K4

Income details	Amounts in Rs.
Income from business in Mumbai	80,000
Income from house property in Pune	20,000
Pension from former employer for service rendered in India but received in U.K	24,000
Profit from business in U.K. but controlled from Mumbai, Out of this Rs. 20,000 were received in India	1,60,000
Dividend from Indian Company but received in U.K.	18,000
Income from agriculture in Nepal: received there but later on remitted to India	60,000
Interest on Bonds issued by U.K. Government out of which 50% is received in India	40,000
Past untaxed income of 2013 – 2014 to 2015 – 2016 brought into India during 2016 – 2017	4,00,000
Income from house property in U.K. and donated there to a notified charitable institution	70,000

Compute the total income for the assessment year 2024 – 2025 if Mr. RTM is

- (a) Resident (b) Resident but not ordinarily resident and (c) Non – Resident

11. (a) Mr. Ragavan is a production manager of an industrial unit at Mumbai. The particulars of his salary are as under:

CO3 K4

	Rs.
Basic Salary	15,000 p.m.
Dearness allowance (given under the terms of employment)	5,000 p.m.
Entertainment allowance	1,000 p.m.
Medical allowance	500 p.m.
House Rent allowance	4,000 p.m.
Rent paid for the house	5,000 p.m.
Car of 1.2 lt. capacity provided by employer for private and official use.	
Employer meets expenses of car.	
Mr.S had taken interest free loan of Rs.15,000 to purchase refrigerator. Compute income under the head salary for the assessment year 2024-25	

OR

11. (b) From the following details, find out the salary chargeable to tax for the A.Y.2024-25 - Mr. X is a regular employee of Rama & Co., in Gurgaon. He was appointed on 1.1.2019 in the scale of Rs. 20,000 - Rs. 1,000 - Rs. 30,000. He is paid 10% D.A. & Bonus equivalent to one month pay based on salary of March every year. He contributes 15% of his pay and D.A. towards his recognized provident fund and the company contributes the same amount. He is provided free housing facility which has been taken on rent by the company at Rs. 10,000 per month. He is also provided with following facilities:

- (i) Facility of laptop costing Rs. 50,000.
- (ii) Company reimbursed the medical treatment bill of his brother of Rs. 25,000, who is dependent on him.
- (iii) The monthly salary of Rs. 1,000 of a house keeper is reimbursed by the company.
- (iv) A gift voucher of Rs. 10,000 on the occasion of his marriage anniversary.
- (v) Conveyance allowance of Rs. 1,000 per month is given by the company towards actual reimbursement.
- (vi) He is provided personal accident policy for which premium of Rs. 5,000 is paid by the company.
- (vii) He is getting telephone allowance @ Rs. 500 per month

CO3 K4

12. (a) Prabhu has three houses, all of which are self-occupied. The particulars of the houses for the P.Y. 2023-24 are as under:

Particulars	House – I	House – II	House – III
Municipal valuation p.a.	3,00,000	3,60,000	3,30,000
Fair rent p.a.	3,75,000	2,75,000	3,80,000
Standard rent p.a	3,50,000	3,70,000	3,75,000
Date of completion/purchase	31.3.1999	31.3.2001	01.4.2014
Municipal taxes paid during the year	12 %	8%	6%
Interest on money borrowed for repair of property during the current year	-	55,000	-
Interest for current year on money borrowed in July 2013 for purchase of property	-	-	1,75,000

Compute Ganesh's income from house property for A.Y.2024-25 and suggest which houses should be opted by Ganesh to be assessed as self-occupied so that his tax liability is minimum.

CO3K3

(OR)

12. (b) From the particular given below compute ARV in each case separately:

CO3K3

Rental value	A	B	C	D
	Rs	Rs	Rs	Rs
MRV	60,000	48,000	36,000	96,000
FRV	75,000	60,000	45,000	1,16,000
Real rent	69,000	54,000	40,000	1,20,000
Standard rent	Not applicable	72,000	42,000	1,15,000

Staff In-charge : Dr.K.Vidhyakala

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