



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. CGPA 3.65/4, Category I by UGC

Coimbatore - 641 043, Tamil Nadu, India

Continuous Internal Assessment Test II - April 2025

IV-Semester

Class : II – UG

Time : 2 Hours

Major : B.Com

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

Answer the following questions

1X6=6

1. Capital Gain means **CO2 K2**
- (a) An increase in the value of an asset (b) An increase in the stock of Capital
- (c) An increase in the yield of an asset (d) An increase in the amount of Foreign Capital
2. Time limit to carry forward Speculation Business Loss, following the assessment year for which loss first computed is **CO3 K1**
- (a) Up to 4 Assessment years (b) Up to 8 Assessment years
- (c) Until adjusted (d) Up to 10 Assessment years
3. U/S – 80IA for telecom projects, 100% of the profit earned is deductible for income tax computation for a period of **CO2 K2**
- (a) 10 out of 15 consecutive years (b) 10 out of 20 consecutive years
- (c) 10 consecutive years (d) 5 out of 10 consecutive years Companies
4. On donation to whom of the following a 50% deduction is allowable u/s – 80G of the Income Tax Act? **CO3 K2**
- (a) National Defense Fund (b) Prime Ministers National Relief Fund
- (c) Rajiv Gandhi Foundation (d) National Foundation for Communal Harmony
5. Loss from Long term capital assets can be set-off against **CO3 K2**
- (a) STCG (b) LTCG (c) Business income (d) Salary income
6. What is the purpose of Tax Deducted at Source (TDS)? **CO5 K1**
- (a) To collect tax at the source of income (b) To penalize tax defaulters
- (c) To allow taxpayers to pay tax at year-end (d) To avoid double taxation

Answer any two of the following questions
(Answers not exceeding 400 words)

3X6=18

7.a) What are the various types of expenses that can be disallowed under the Income Tax Act **CO2K3**
(Or)

7.b) Mr. H submits the following particulars about the sale of assets during the year 2023-24. **CO2K3**

	Jewellery	Plot	Plot	Gold
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sale Price	5,00,000	22,74,000		2,50,000
Expenses on sale	NIL	24,000	NIL	
Cost of Acquisition	1,40,000		7,00,000	80,000
Year of Acquisition	2007-08		2004-05	2009-10
C.I.I.	129	113		148

He has purchased a house for 12,00,000 on 1-3-2024. Calculate the amount of taxable capital gain if C.I.I. for 2023-24 is 348.

8.a) What deductions can be claimed from Gross Total Income under the Income Tax Act? **CO2K4**
(Or)

8.b) The total income of a H.U.F. computed under the normal provisions of Income Tax Act is 20,00,000. However, the 'adjusted total income' of the H.U.F. [computed as per Section 115JC(2)] amounted to 30,00,000. Calculate the Final Tax Liability of the H.U.F. for A.Y. 2024-25 under old tax regime. **CO4K3**

9.a) What do you mean by Permanent Account Number (PAN) and who is required to have PAN? **CO5K3**
(Or)

9.b) Write a brief note on Tax Deducted at Source

Part – C

3 x 12= 36

Answer the following
Answer should not exceed 800 words

10.a) Profit and Loss Account of M/s Raju & Company

General Expenses	1,07,000	Gross Profit	5,40,000
Fire Insurance Premium	2,000	Bad debts, recovered but disallowed earlier	4,000
Bad Debts	1,000	Interest from Govt Securities	4,000
Salaries	1,65,000	Rent received from employees	12,000
Advertisement (in cash)	22,250	Interest from debtors for delayed payment	6,000
Proprietors Salary	1,12,500		
Interest on capital	2,000		
Income-tax	1,000		
Depreciation	2,000		
GST (due)	5,000		
Advance income-tax paid	1,000		
Donations	500		
Motor car expenses	750		
Municipal taxes of quarters let to employees	5,000		
Net profit	1,39,000		
	<u>5,66,000</u>		<u>5,66,000</u>

General expenses include % 4,000 paid as compensation to an old employee whose services were terminated in the interest of the business and % 2,200 by way of help to a Poor student, Depreciation calculated according to the rates comes to % 2,900, GST was paid on 1-5-2024. Date of filing of return is 31-7-2024, 50% of Motor-car expenses are for proprietor's Personal use. Compute business income. **CO2K4**

(Or)

10.b) Mr. Basu received following gifts during the previous year 2023-24:

1. On 13th April, 2023, on his birthday, he received following gifts:

- (i) 11,000 from his father.
- (ii) 11,000 from his grandfather.
- (iii) 11,000 from his father's cousin.
- (iv) 5,000 from his father's friend.
- (v) 5,000 from his own friend.
- (vi) 51,000 from his friend from U.S.A.
- (vii) 5,000 from his mother's cousin.

- (viii) 21,000 from other friends and neighbours.
 (ix) He received a gift of an imported watch worth 35,000 from another friend from U.S.A.

2. On 20th September 2023, on the occasion of his marriage, he received the following gifts:

- (i) 11,000 from his mother.
 (ii) 11,000 from his maternal uncle.
 (iii) 11,000 from a friend of his father.
 (iv) 5,100 from his friend.
 (v) 51,000 from various friends, relatives, and neighbours.
 (vi) 11,000 from his employer.

3. On 25th October 2023, he received the following gifts, which were gifted to him by his mother's mother (Nani) through a will which she executed in his favour before her death:

- (i) A plot worth 5,00,000.
 (ii) Bank deposits worth 1,00,000.

4. A friend from America gifted him a computer worth 50,000 on 30th November 2023.
 Find out the amount of taxable gifts for the Assessment Year 2024-25. CO2K4

11.a) Computation of total income and tax liability of individuals:

The following particulars are given by M.D. Mathur, Madras, in respect of his annual income for the year ended 31st March 2024:

- (i) Consolidated salary till 30-9-2023 at 13,500 p.m. and from 1-10-2023 14,000 p.m.
 (ii) House rent allowance at 20% of salary.
 (iii) Actual house rent paid 3,500 p.m.
 (iv) Contribution to recognised Provident Fund by self and employer- each 12% of salary.
 (v) Life Insurance Premium paid 1,200. (Sum assured 20,000 and Policy taken on 1-4-

2013).

(vi) Leave Travel Allowance received 32,700. 20,000 was spent on travel to home district Under LTC.

(vii) Bonus 20,000

(viii) Interest and dividend incomes:

- Interest on Term Deposits with Punjab National Bank 17,000
- Interest on Saving Account in Punjab National Bank 12,000
- Income from units of Unit Trust of India 10,000
- Interest on debentures of Ponds India Ltd. 21,750
- Dividend from a co-op. society 15,000
- Interest on Govt. securities 13,000

(ix) Long term capital gains on sale of jewellery 30,000

(x) Short term capital gains on sale of shares (STT paid) 20,000

(x) Medical expenses incurred in private hospital for treatment of self and family 80,000. His employer reimbursed only up to 50,000.

(xi) Rent received from tenant of own house property 9,600. Municipal taxes paid 600.

Prepare Mathur's statement of income showing computation of taxable income giving such explanation as necessary and tax liability (Ignore section 115BAC). Salary is due on last date of the month. CO4K4

(Or)

11.b) Set-off and Carry Forward of Losses. Calculate Gross Total Income under old tax regime

House Property

Loss from self-occupied house: 2,50,000

Income from let-out house: 1,12,000

Profit and Gains of Business or Profession

Hosiery business: (+) 1,80,000

Cycle business: (-) 60,000

Speculation business: (-) 1,00,000

Capital Gains

Short term capital gain: 40,000

Short term capital loss: 80,000

Long term capital gain: 70,000

Long term capital loss: 90,000

Income from Other Sources

Bank interest: 1,24,000

Dividend from companies: 20,000

Loss from gambling: 1,00,000

CO3K4

CO5K3

12.a) Explain about E-Filing process

(Or)

12.b) Describe briefly the Procedures regarding assessment u/s 143(2)

CO5K4

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Staff In charge :Dr.K.Vidhyakala