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Avinashilingam Institute for Home Science and Higher Education for Women

Deemed to be University Estd. u/s 3 of UGC Act 1956, Category 'A' by MHRD (now MoE)

Re-accredited with an 'A++' Grade by NAAC CGPA 3.65/4, Category I by UGC

Coimbatore - 641 043, Tamil Nadu, India

Continuous Internal Assessment Test II-- October 2025

Semester - V

Class : III UG
Major : B.Com(CA)

Time : 2 hrs
Max. Marks : 60

23BCCC10- Direct Tax law and practice

Course Outcomes:

- CO1: Comprehend the concepts of taxation . including assessment year, previous year . assess personal income , total income, agriculture income and determine the residential status of persons
- CO2: Calculate income under the heads of salary , applying charging provisions , allowances, exemptions and deductions.
- CO3: Compute income under house property and profit and gains of business or professions
- CO4: Apply the clubbing provisions and provisions relating to set-off and carry forward of losses to determine the cross total income.
- CO5: Comprehend the provisions relating to filling the return of income and calculate the tax liability of individual as well as determine the total income of an individual

Part - A

6 X 1 = 6

Choose the correct answer

1. Long term capital gain on sale of unlisted shares are CO3K2
 a. Taxable b. Exempted c. Partially Exempted d. Partially Taxable
2. Exemption under section 54 is available to CO3K2
 a. All assesses b. Individual only c. Individual + HUF d. Individual or HUF
3. Which of the following income from other sources is not taxable? CO4K3
 a. Dividend from co-operative society b. Dividend from foreign company
 c. Dividend from domestic company d. Winnings from lottery
4. Long term capital loss can be set off from which of the following: CO4K2
 a. Short term capital gain only b. Long term capital gain only
 c. Income from business or profession d. Income from salary
5. Clubbing of income is a method to discourage. CO5K2
 a. Clubbing of income b. Tax evasion c. Tax avoidance d. Tax planning
6. Casual loss can be set-off against CO5K2
 a. Casual income b. LTCG c. Income from other sources d. STCG

Part -B

3 x 6 = 18

Answer the following

Answer should not exceed 400 words or two pages

- 7.a. Write the principles for charging under business or profession CO3K1
(OR)
- 7.b. Net profit after charging the following expenses is rs 35,000. Compute the taxable income from business. CO3K3

Provision for bad debts	15,000
Provision for excise duty	6,000
Commission to procure business order	10,000
donation	7,000
Interest on late payment of sales tax	5,000

- 8.a. How will you distinguish between capital gain and income. Bring out four Differences between exemption U/S 54 and 54F CO4K3
(OR)
- 8.b. From the following information compute the income from other sources for the assessment year 2024-25: CO4K2
 - i) Card games loss 12,000
 - ii) From the activity of owing and maintain houses for race purposes
 - a) Loss at Bombay 40,000
 - b) profit at Bangalore 20,000
 - iii) Divided (Gross) from Indian companies 6,000
 - iv) Betting in horse races 4,000
9. a. the following particulars are supplied to you for computation of gross total income of the assesses for the assessment year 2024-2025: CO5K3

	Rs.
Salary income (computed)	1,35,000
Income from house property I	50,500
Loss from house property II	23,500
Loss from registered firm	20,000
Profit from speculation business	75,000
Long-term capital gains	55,000
Long-term capital loss	20,000
Interest on securities	22,500

Part C

3 x 12 = 36

Answer the following

Answer should not exceed 800 words or four pages

10.a. Explain the income chargeable U/H business or profession section 28
(OR)

CO3K3

10.b. Mr SS Dewan & company are chartered Accountants in Delhi. They have submitted the following Receipts and Payments Accounts For the Year. Compute the income from Profession

CO3K3

Receipts	Amount ₹	Payments	Amount ₹
To audit fees	2,24,000	By drawings	48,000
To financial consultancy service	98,000	By office rent	42,000
To dividend from an Indian company (gross)	6,000	By telephone installation charges under O.Y. T Schme	15,000
To dividend on units on UTI	4,000	By electricity bill	4,200
To accountancy work	24,000	By salary of staff	66,000
		By charities	1,200
		By gifts given to relatives	9,000
		By car Expenses	21,000
		By subscription of journal	2,500
		By institute fee	1,200
		By Stipends given to trainees	12,000
		By net income	1,33,300

Depreciation for car during the year amounts to Rs 5,000
30% of the time car used for personal purposes

11.a. From the particulars given by Ramesh, Compute the taxable capital gain for the assessment year 2021-22:

CO4K1

Name of asset	Date of purchase	Cost Rs.	Date of sale	Sale price Rs	Exp. Rs
1. Govt. securities	1-10-2019	10000	30-6-2020	15000	200
2. Furniture (W.D.V on 1-4-2020 Rs. 4000)	15-2-2003	5000	20-2-2001	3000	-
3. Land (fair market value on 1-4-2021 Rs 60000)	10-1-1992	12000	6-1-2021	170000	1000
4. Residential House	1-12-2005	80000	5-5-2020	400000	2000

(OR)

11.b. Mr. Rama Narayana submits the following particulars of his income from other sources for the year ended 31st March 2023.

CO4K1

- Royalty from books written Rs.40,000 (expenses incurred for this purpose Rs.4,000).
- Interest on fixed deposits in a Bank Rs.30,000 (Gross).
- Family pension from Government of Karnataka annually Rs.48,000.
- Winning from horse race Rs. 70,000.
- Rent from subletting of house Rs.3,000 per month (Rent paid to owner Rs.2,000 and repair expenses Rs.400).
- Cash worth Rs.90,000 was found in his private locker. The source of which could not be explained by him.
- Winning from lottery net Rs.1,40,000 (Purchase of lottery Rs.150).
- Remuneration from articles published in a magazine Rs.4,000.

Compute the taxable income from other sources for the assessment year 2024-25.

(OR)

12.a. Mr. Kannan has submitted the following particulars of his income and losses for the p.y 2024-25 compute his gross total income

CO5K2

Income from house property computed	8,000
Profit and gains of personal business	6,000
Share of profits from AOP (AOP has paid tax)	10,000
Short term capital gain	8,000
Long term capital gain on assets	17,000
Long term capital loss on shares	24,000
Brought forward for the previous year 2023-24	
Business loss	30,000
Loss on house property	10,000

(OR)