



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 A++ Grade by NAAC. CGPA 3.65/4, Category I by UGC
Coimbatore - 641 043, Tamil Nadu, India

Bachelor's Degree Arrear Examination – November 2025
VI Semester

Batch : 2022 Arrear
Major : BBA Retail Management

Time: 3 Hours
Max. Marks: 100

21BREC25- Income Tax Law and Practice

Course Outcome:

- CO1: Elucidate an understanding of theoretical and technical Knowledge of taxation law Principles as they apply through legislation, for both individuals and business entities.
CO2: Analyse, generate and transmit solutions to complex problems in relation to taxation matters
CO3: To efficiently compute tax for business and profession and knowledge on tax authorities
CO4: To efficiently handle assessment of Individuals and partnership firm
CO5: To be a potential person on the knowledge of Income Tax Authorities.

PART A
Choose the Correct Answer

10 x 1 = 10

1. Income Tax Act came into force on
a. 1.4.1961
b. 1.4.1962
c. 1.4.1956
d. 1.4.1965
CO1:K1
2. A person includes
a. Individual & HUF.
b. Firm & Company
c. AOP/BOI, LA, Every AJP
d. all of these.
CO1:K1
3. Assessment Year can be a period of
a. > 12 months or < 12 months
b. only 12 month
c. 12 months or < 12 months
d. \geq 12 months.
CO2:K1
4. Under Section 15 salary is taxable
a. On receipt basis
b. On due basis
c. Receipt or due, whichever is earlier
d. None of the above
CO2:K1
5. Residential status is determined for
a. Previous year
b. Assesment year
c. Accounting year
d. Financial year
CO3:K1
6. Unrealised rent is deducted from
a. Gross Annual value
b. Net Annual value
c. Income from house property
d. Municipal Tax
CO3:K1
7. Capital Gain means
a. An increase in the value of an asset
b. An increase in the stock of capital
c. An increase in the amount of foreign capital
d. An increase in capital invested by owner
CO4:K1
8. Amount paid to an approved University for social research. The deduction shall be allowed in respect of payment
a. 100%
b. 125%
c. 150%
d. 200%
CO4:K1
9. The Central Board of Direct Taxes (CBDT) functions under
a. Ministry of Finance
b. Ministry of Law
c. Ministry of Corporate Affairs
d. Ministry of Commerce
CO5:K1
10. The final appeal in income tax matters can be made to
a. ITAT
b. CBDT
c. High Court
d. Supreme Court
CO5:K1

Part B

5 x 6 = 30

Answer ALL questions

Each answer should not exceed 400 words or two pages

11.(b) Write a note on (i) Assessment year (ii) Previous year CO1:K2

12.(a) Mr. Arun passed his MBA Examination in June 2022 and joined his job on 1st July 2022 on a salary of Rs20000 Per Month. He resigned from his job on 15th November 2022 and got relieved on 30th November and started his own business on 15 December and earned a profit of Rs 60000 up to 31st March 2023. When the Individual becomes Resident? CO2:K3

(Or)

12.(b) Mr. A Receives Rs 42000 P.a as net salary. Employer had deducted Rs 4000 p.m as Employee's Contribution to R.P.F Rs 5000p.a as tax deducted at source and Rs 2000 p.a as professional tax. During the year employer had deducted Rs 2500 p.m towards the recovery of house building advance taken by Mr. A CO2:K3

13. (a) write a note on Exemptions in capital gain. CO3:K2

(Or)

13. (b) Mr. G. Bedi owns horses at Bombay and Bangalore. These horses run for races at the race course. During the year 2022- 23. Mr. Bedi submits the following information: CO3:K3

(i) Expenses on race horses at Bombay	2,60, 000
(ii) Expenses on race horses at Bangalore	4,30, 000
(iii) stake money earned by horse at	
a) Bombay	1,20,000
b) Bangalore	5,00,000
(iv) Mr. Bedi received Rs 105000 on 1-7-2022 on betting during horse races at Bombay.	

Compute his taxable income under other sources.

14.(a) Differentiate between assessment of individuals and partnership firms. CO4:K2

(Or)

14.(b) Taxable income of Mr. Rai aged 65 years is Rs 1900000. He claimed deduction of Rs 3, 00,000 u/s 80 QQB. Calculate his tax liability for the assessment year 2024-2025. CO4:K4

15.(a) State the duties of the Income Tax Officer (ITO). CO5:K2

(Or)

15.(b) Write a short note on Refund of Tax. CO5:K2

Part C

5 x 12 = 60

Answer ALL questions

Each answer should not exceed 800 words or four pages

16. (a) Explain in detail the structure of Indian taxation system. CO1:K2

(Or)

16.(b). Mr. Ford an American national was appointed as senior scientific officer in India on 1st April 2014. On 31st January, 2020 he went to Sri Lanka on deputation for a period of three years but left his wife and children, in India. On 1st May, 2021 he came to India and took with him his family to Sri Lanka on 30th June, 2021. He returned to India and joined his original job on 20th Dec 2022. What would be the status of Mr. Ford for income tax purposes for the assessment Years 2022-2023, 2023-2024, 2024-2025.? CO1:K3

17. (a) Explain the characteristics of salary in detail. CO2:K2

(Or)

17.(b) Mr. A. Joined a Company as an assistant on 1st June 2019 on a consolidated salary of Rs 40,000 p.m. Since the company was incorporated in the year 2018, so its provident fund is still unrecognized. As per terms of the employment contract, both employee as well as employer started contributing in unrecognized provident fund @14% of employee's salary. Interest is credited @10% of credit balance. Ultimately, the unrecognized provident fund is recognized on 30th Nov 2022 is Rs.23500. Find out transferred balance and taxable portion of transferred balance. CO2:K4

18. (a) Following are the particulars of 2 let out houses of Mr. Ashu Agarwal

CO3:K4

Particulars	House-A	House- B
Municipal Valuation	4,20,000	3,50,000
Fair Rental value	3,60,000	3,80,000
Standard Rent	4,40,000	3,20,000
Actual Rent	4,80,000	4,20,000
Unrealized rent of current year	40,000	35,000
vacancy	2 months	2 months
Municipal Taxes		
Actually paid	12,000	35,000
Due but not paid	30,000	10,000
Repairs	10,000	8,000
Insurance Premium	12,000	6,000
Other expenses	8,000	10,000
Int on money borrowed for the purchase of house	----	60,000

Determine Mr. Ashu's income from house property.

(Or)

18.(b) Mr. Ghosh sold a house on 01-09-2022 for Rs 16, 00,000. This house was inherited by him during 2001-02 from his father who had constructed it in 1991-92 for Rs 50000. Mr. Ghosh spent Rs 50000 on renovation of the house in 2006-07. Fair market value of house as on 01-04-2001 was Rs 4, 40,000 This house was under negotiations for sale in May, 2010 and he received Rs.20, 000 as advance money. The contract could not materialise and the advance money was forfeited. Compute the Amount of capital gain assuming that does not qualify for any exemption. CO3:K3
(C.I.I. for 2001-02: 100, 2006-07: 122, 2010-11: 167 & 2022-23: 331)

19.(a) Write the procedure for computation of taxable income of a partnership firm.

CO4:K2

(Or)

19.(b) Mr. Raj (aged 35 years) provides the following details for PY 2024-25:

- Salary Income: ₹6,00,000
- House Property Loss (self-occupied): ₹1,50,000
- Interest from Bank FDs: ₹50,000
- Life Insurance Premium paid: ₹80,000
- Donation to PM National Relief Fund: ₹20,000

Compute his Total Income & Tax Liability

CO4:K4

20. (a) Discuss in detail the powers of Income - Tax officer.

CO5:K2

(Or)

20.(b) What are the different penalties which can be imposed under the provisions of Income -Tax act, 1961?

CO5:K3
