

SHRIMATHI DEVKUNVAR NANALAL BHATT VAISHNAV COLLEGE FOR WOMEN  
(AUTONOMOUS)

(Affiliated to the University of Madras and Re-accredited with 'A+' Grade by NAAC)  
Chromepet, Chennai - 600 044.

M.Com.A&F- END SEMESTER EXAMINATIONS - APRIL 2025  
SEMESTER - II

**23PAFCT2004 - Income Tax Law and Practice - II**

Total Duration : 2 Hrs. 30 Mins.

Total Marks : 60

**Section B**

Answer any **SIX** questions ( $6 \times 5 = 30$  Marks)

1. Mr.Krishna owned one residential house which he sold for Rs.13,80,000 in October 2023 which was actually purchased for Rs.3,00,000 in 2002-03. He spent Rs.1,00,000 for the construction of another room in 2006-07. Expenses incurred in the execution of sale deed were Rs.10,000 which were borne by him. Cost inflation index nos. in 2002-03; 2006-07 and 2023-24 were 105, 122 and 348 respectively. Compute his Capital Gain.
2. From the particulars given below compute the total income of Mr.X for the assessment year 2024-25.

	Particulars	Rs.
i.	Income from profession	86,500
ii.	Income of minor son (singing is his profession)	12,000
iii.	Winnings from lottery: ticket purchased in the name of the Mr.X's minor daughter	6,800
iv.	Mr.X's father gifted debentures in an Indian company to Mr.X's minor son and company paid gross interest	6,650
v.	Mr.X's wife is a government servant and her income computed under the head salaries	56,000
vi.	Interest on debentures purchased by Mr.X but gifted to Mrs.X	18,000

3. Mr.Madan earned gross total income of Rs.5,00,000 in the previous year 2023-24 and made the following donations during the year:
  - i. Rs.10,000 to Chief Minister's Earthquake Relief Fund Gujarat.
  - ii. Rs.15,000 to National Foundation for Communal Harmony.
  - iii. Rs.20,000 to Municipal Corporation approved for promotion of family planning.
  - iv. Rs.45,000 to Approved Institutions.
  - v. Rs.20,000 to Swachh Bharat Kosh.

Compute the amount of deduction admissible to him u/s 80G for the assessment year 2024-25.

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4. Explain the provisions of the I.T. Act relating to the advance payment of tax.
5. Enumerate the different types of assessment.
6. From the following information relating to previous year 2023-24 compute taxable capital gains of Mr.Kamal for the assessment year 2024-25.

Particulars	Rs.
i. Income from profession	86,500
ii. Income of minor son (singing is his profession)	12,000
iii. Winnings from lottery: ticket purchased in the name of the Mr. X's minor daughter	6,800
iv. Mr. X's father gifted debentures in an Indian company to Mr. X's minor son and company paid gross interest	6,650
v. Mr. X's wife is a government servant and her income computed under the head salaries	56,000
vi. Interest on debentures purchased by Mr. X but gifted to Mrs. X	18,000

7. The following are the particulars of income of Mr.Balu for the previous year ended 31<sup>st</sup> March 2024.

Particulars	Rs.
Loss from house property	6,000
Interest received on sundry advances	3,000
Cloth business income	70,000
Share of loss in a firm	18,000
Loss in speculation	3,200
Dividends	5,000
Short term capital gains	1,500
Long term capital loss	21,000

Compute the gross total income of Mr.Balu setting off the different losses against other incomes and state losses, which could be carried forward.

8. Calculate the firm's income under the head profit and gains from business and profession from the data given below.

Particulars	Rs.
Net profit as per P & L A/c (after debiting the following)	20,000
Salary to partner A	60,000
Salary to partner B	40,000
Commission to A	20,000
Interest on capital @ 21% to A	14,000
Interest on capital @21% to B	7,000

The payments to partners have been made in accordance with partnership deed.

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**Section C**

I - Answer any **TWO** questions (2 × 10 = 20 Marks)

9. Mr.Kumar received a gift of a house in November 2007 from Mr.Mohan who had purchased it in November 1997 for Rs.6,30,000. Mr.Mohan renovated the house in March 1998 at a cost of Rs.2,70,000. Its FMV on 01.04.2001 was Rs.10,00,000. In 1998-99 Mr.Mohan had agreed to sell the house and had received Rs.1,00,000 as advance money. The sale could not materialise and advance money was forfeited. The house was further renovated in 2010-11 [C.I.I. = 167] at a cost of Rs.2,00,000. Mr.Kumar sold the house in December 2023 for Rs.35,60,000 and paid Rs.60,000 as brokerage. Compute his taxable capital gain if C.I.I. for 2001-02 was 100. For 2007-08 was 129 and for 2023-24 it is 348.
10. From the particulars given below, compute the total income for the previous year 2023-24.

Particulars	Rs.
i. Income from let-out house (computed)	6,000
ii. Annual rental value of his self-occupied house	4,000
iii. Municipal taxes	400
iv. Profit from electric goods business after depreciation	10,000
v. Profit from agency business	3,000
vi. Speculation gain from gold	2,000
vii. Long-term capital gain from land	7,000
viii. Short-term capital gain	2,000
Following losses have been brought forward from 2022-23 previous year:	
i. Loss from electric goods business	6,000
ii. Loss from an agency business	1,000
iii. Speculation loss from silver	4,000
iv. Unabsorbed depreciation	1,000
v. Long-term capital loss (Land)	4,400
vi. Short-term capital loss	3,000

11. Describe the provisions of law regarding deduction of tax at source in respect of income from
- (a) Salaries
  - (b) Interest on securities.

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12. Mr. Jagdish was born on 01.01.1940. He submits following particulars of his income and asks you to compute his tax liability for the assessment year 2024-25.

Particulars	Rs.
i. Income from business	10,50,000
ii. Income from house property	6,00,000
iii. Short term capital gain	50,000
iv. Income from other sources:	
Interest income from saving bank account 6,000	
Interest income from fixed deposits in bank 53,000	59,000
v. Amount deposited in PPF	1,00,000
vi. Life insurance premium paid on old policy	40,000
vii. Winnings from lotteries not included at (i) above	20,000

II - Compulsory question (1 × 10 = 10 Marks)

13. Mr. A is the Managing Director of a Private Limited Co. at Kanpur (Population above 40 lakhs in 2001 and 2011). From the following particulars furnished, compute the total income of Mr. A for the assessment year 2024-25 under old tax regime:

Particulars	Rs.
i. Salary from the company	3,60,000
ii. Dividend on units of a mutual fund	6,000
iii. Sitting fees	
iv. Company's contribution to a recognised provident fund	5,000
v. Interest allowed on provident fund to Mr. A @ 12%	46,800
vi. Mr. A contributed to the provident fund	30,000
vii. The company provided a furnished rent-free bungalow: The Municipal valuation of the bungalow is Rs.6,000 p.m. Rent of Furniture paid by Co. is Rs.800 p.m.	36,000
viii. Mr. A had income from card games Rs.7,600 (gross) and loss from betting Rs.5,600	
ix. He deposited Rs.11,000 towards L.I.C. premium for self	
x. His minor daughter is mentally retarded and actual expenditure on her rehabilitation was Rs.20,000	
xi. Life insurance premium paid by Mr. A on the life of his wife	5,600
xii. Amount paid in cash Rs.2,000 and by cheque Rs.4,500 as premium for health insurance under notified scheme of Mediclaim for his dependent mother and own family respectively.	
xiii. Interest on fixed deposit with bank	27,000
The reasons of inclusion or exclusion of the different items should be briefly indicated.	

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