

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.
B.Com. A&F - END SEMESTER EXAMINATIONS - APRIL 2025
SEMESTER - VI
20UAFCT6019 - Income Tax Law & Practice -II

Total Duration : 2 Hrs.30 Mins.

Total Marks : 60

Section B

Answer any **SIX** questions (6 × 5 = 30 Marks)

1. Mr.R purchased a house on 1.11.2001 for Rs.2,00,000 and it was improved in 2010-11 is 167 and for 2023-24 is 348. Compute the Cost of Acquisition and Improvement.
2. Mr.John income computed under the 'Salaries' is Rs.2,69,500/-. Last year he received arrears of salary and gifted Rs.1,25,000/- out of these to his wife. Mrs.John invested on 1.1.2023 Rs.5,00,000 in 15% debentures issued by a company. These debentures were financed by Mrs. John, as under;
 - i) Rs.1,25,000 received as gift from Mr.John
 - ii) Rs.3,00,000 out of her Sridharan
 - iii) Rs.75,000 as loan taken from bank. Rate of Interest is 18% p.a.
 - iv) On 1.1.2024 the company paid interest to Mrs.John. She invested this interest in a fixed deposit with a bank @ 12% p.a. interest for the period 1.1.2024 to 31.3.2024 was Rs.2,250/-
 Compute gross total income of Mr.John and Mrs.John for the previous year 2023-24 explaining all the points clearly.
3. Mr.Raj paid the following insurance premium during the previous year 2023-24. Compute the amount of deduction admissible u/s 80D under the old tax regime:
 - (i) Life Insurance Premium on own life - ₹6,000 p.a
 - (ii) Premium paid by cheque to General Insurance Corporation to ensure the health of wife and children - ₹20,000 p.a.
 - (iii) Accident Insurance Premium - ₹3,000 p.a.
 - (iv) Premium paid by cheque under Mediclaim to ensure the health of dependent mother - ₹20,000 p.a.
 - (v) Premium paid to G.I.C under Mediclaim in cash to ensure own health - ₹3,000 p.a.
 - (vi) He paid to G.I.C. under Medi-claim policy of his father (who is 70 years old) - ₹28,000
 - (vii) He spent ₹4,000 on the medical check-up of his father.
4. Discuss the powers of Commissioners of Income Tax in the assessment process.
5. Compute the income from other sources of Mr. Krishnamurthy who held the following investments during the previous year 2023-2024.

1	Rs.11,000 10% Central Government securities
2	Rs.36,000, 10% Tax free commercial securities of a closely held company
3	Rs.6,300, received as interest on Tax free public limited company securities (listed)
4	Rs.7,200, received interest on Karnataka Govt securities
5	Rs.4,000, received as interest on debentures of Deepak Fertilisers (listed)
6	Rs.30,000, 13.5% securities of Paper Mill Co (listed)
7	Rs.35,000, 11% securities of Paper Mill (listed)
8	Rs.10,000, 15% Jaipur Municipal Corporation bonds
9	Dividend from Carona Ltd -Rs.4,000
10	During the year he also get a price in Karnataka State Lottery. The net amount received by him was Rs.35,000. Interest on all securities is payable on 1st Jan every year. Bank charged Rs.200, as collection charges for collection of interest.

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6. Master Ajay (16 years) received following incomes during 2023-24;

Particulars	Rs.
Interest on bank deposits	75,000
Interest on Government securities	80,000
Interest on debentures	40,000
Income by acting in a film	1,00,000
Income by a singing concert held by him	50,000
His father's total income	1,09,000
His mother's total income	1,09,100

Decide about the person in whose hands the above incomes shall be taxable and the amount of income to be taxed.

7. Mr. Basu received the following incomes during the year 202-21. Compute Taxable income under the 'Income from other sources separately for each case.

	Rs.
Winnings received from Sikkim Lottery	70,000
Winnings from Horse Races	2,000
Winnings from Crossword Puzzle	4,000
Winning from Lottery	2,000
Winnings received from Horse Races	5,600

8. Differentiate between Self-Assessment and Best Judgement Assessment in the Income Tax assessment process.

Section C

Answer any **THREE** questions ($3 \times 10 = 30$ Marks)

9. Mr. Arun purchased 300 equity shares of Rs.100 each in 1985-86. He was allowed bonus shares in the ratio of 1:1 in 1995-96 and again in the ratio of 1:2 (one share for every two Shares held) in 2005-2006. The current price of shares is Rs.5,000 per share. Find out the taxable capital gain for the Assessment year 2024-2025 in respect of the following situations. If FMV of the shares on 1.4.2001 is Rs.500 per share.

- He sells original holding 300 shares
- He sells bonus shares received in 1995-96
- He sells all the shares.
- Cost inflation index is 2005-2006 – 117; 2001-2002 – 100; 2023-2024 – 348

10. From the following particulars of Mr. E for the previous year ended 31st March, 2024, compute his total income for the Assessment Year 2024-25.

He received:

- Director's fee from a company - Rs.10,000
- Interest on Bank Deposits - Rs.3,000
- Income from undisclosed sources - Rs.12,000
- Winnings from Lotteries (net) - Rs.82,200
- Royalty on a book written by him - Rs.8,000
- By giving lectures in functions - Rs.5,000
- Interest on loan given to a relative - Rs.7,000
- Interest on Tax-free debentures of a company (listed in recognized stock exchange) Net - Rs.3,560
- Dividend on shares (Net) TDS @ 10% - Rs.5,400
- Interest on post office savings bank A/c - Rs.500
- Interest on Government securities - Rs.2,200

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- (xii) A sum of Rs.26,000 is received as a gift on 1-8-23 from a friend.
(xiii) A sum of Rs.50,000 is received as a gift on 1-10-23 from his sister.

He paid Rs.20 for collection of dividends and Rs.1,000 for typing the manuscript of a book written by him.

Mr.E has the following other transactions:

1. House property 'A' purchased for Rs.6 lakh (Stamp duty value: Rs.6.5 lakh)
2. Plot of land purchased for Rs.7 lakh (Stamp duty value Rs.9 lakh).

11. From the particulars given below, compute the total income for the previous year 2023-24.

Particulars	Rs.
Income from Let out house(computed)	6,000
Annual rental value of his self-occupied house	4,000
Municipal taxes	400
Profit from electric goods business after depreciation	10,000
Profit from agency business	3,000
Speculation Gain from Gold	2,000
Long term capital gain from land	7,000
Short term Capital gain	2,000

Following losses have been brought forward from 2022-23, previous year:

Particulars	Rs.
Loss from electric goods business	6,000
Loss from agency business	1,000
Speculation loss from silver	4,000
Unabsorbed Depreciation	1,000
Long term capital loss	4,400
Short term capital loss	3,000

12. The following are particulars of income of Mr.Bell for the Assessment Year 2024-25:

Income

- (a) Income from house property - ₹70,000
- (b) Business Income - ₹60,000
- (c) Dividend (Gross) from a co-op. society - ₹500
- (d) Long-term capital gain - ₹1,000
- (e) Profit from Jewellery - ₹8,000

Deductions

- (f) He paid ₹28,000 as life insurance premium on his own life on a policy of ₹20,000.
- (g) He gave ₹20,000 as a donation to an approved charitable institution.
- (h) During the year, he deposited ₹20,000 in an equity-linked savings scheme notified u/s 80C.
- (i) He deposited ₹1,500 in National Saving Scheme, 1992.
- (j) Interest accrued on N.S.C. VIII Issue, purchased in Nov. 2023, for ₹30,000, is ₹2,260.

Computation of Total Income

13. What is the concept of 'Advance Payment of Tax'? Explain its significance, due dates, and consequences of non-payment.
