

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.Honours - END SEMESTER EXAMINATIONS - APRIL 2025

SEMESTER - VI

23UBHCT6028 - Direct Taxation – II

Total Duration : 2 Hrs. 30 Mins.

Total Marks : 60

Section B

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

1. Outline the provisions relating to Clubbing of Income.
2. Explain the powers of Income tax authorities.
3. From the following particulars calculate income from other sources of Mr.Harish for the A.Y 2025-26
 - (a) Rs.50,000 interest from Post office FD account
 - (b) Rs.45,000 from 10% debentures of a listed company
 - (c) Rs.16,000 interest received from National Development Bonds
 - (d) Rs.16,500 received as interest from Co-operative society
 - (e) 10% tax free debentures of Chennai Municipal Corporation of Rs.35,000
 - (f) Royalty income from book publishing company Rs.55,000 (Expenses incurred Rs.12,000)
 - (g) Winnings from Lottery Rs.25,000 (net).
4. Mr.Akash submits the following particulars. You are required to calculate total income after adjusting the loss for the A.Y 2025-26
 - (i) Income from salary – Rs.60,000
 - (ii) Income from house property loss of Rs.5,500
 - (iii) Income from Textile Business –12,000
 - (iv) Business loss – Rs.10,000
 - (v) Bank Interest - Rs.40,000
 - (vi) Speculation Income – Rs.5,000
 - (vii) Speculation Loss – Rs.10,000
5. From the following particulars compute the Deductions under Sec 80G
 - (a) Donation to Approved Charitable trust – Rs.70,000
 - (b) Donation to Local authority for family planning – Rs.50,000
 - (c) P.M's Drought relief fund – Rs.15,000
 - (d) Donation to poor student aid fund in cash – Rs.10,000
 - (e) Donation to Rajiv Gandhi Memorial trust – Rs.20,000
 - (f) Adjusted total income – Rs.8,50,000
6. Calculate the net tax payable for Ms.Aruna aged 65 years from the following
 - (i) Net income from business – Rs.5,00,000
 - (ii) Income from other sources – Rs.50 000
 - (iii) Deductions under Sec 80 C - Rs.20,000
 - (iv) Repayment of housing loan from the SBI Interest Rs.17,500, Principal amount Rs.55,000.
7. Find out the long term capital gain from the following.

Cost of acquisition Rs.1,20,000.

Year of purchase of assets (2006-07)

Amount of selling price Rs.35,00,000

Date of selling assets (10.1.2024)

CII for 2006-07 is 122, 2023-24 - 348.

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8. From the following details calculate taxable Capital gain for the A.Y 205-26.
- Sale consideration of Residential house for Rs.120,00,000 on 26th August 2024 (CII – 363)
 - Cost of acquisition of a residential house on 1st July 2007 is Rs.40,08,000(CII- 129)
 - New residential house purchased on 2nd March 2025 for Rs.40,00,000

Section C

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

9. Dr.Komal Prasad is a Professor of Economics and is a resident in India. He submits the following incomes for computing his income under the head 'Income from Other Sources' for the assessment year 2025-26.
- He is the author of a textbook which fetched him a gross royalty income of Rs.50,000. He claims the following expenses regarding earning this royalty income:
 - Salary to a clerk who collects for him necessary data and goes through the final proof regarding Rs.500 p.m.
 - Cost of books purchased in connection with the revision work of the book Rs.1,000.
 - Income from Research Papers published in 'Taxation' and 'Taxman' Rs.4,000.
 - He lives in a rented house paying rent of Rs.600 p.m. The house is too big for his family. Hence, he has sub-let one-third portion of the house on a rent of Rs.350 per month. Komal Prasad has undertaken the liability of paying municipal taxes of Rs.600 on the whole house and also the current repairs of the whole house amounting to Rs.900.
 - Dr.Komal Prasad received Rs.1,000 per lecture delivered at the. Management Institute. During the previous year he delivered 20 lectures.
 - He is an examiner in a number of Universities, from which he got a remuneration of Rs.3,000.
 - His other incomes were:
 - Winnings from Card Games Rs.8,000
 - Received interest on Government Securities of U.K. Government Rs.1,500.
 - received Rs.19,000 from a Tax free securities
 - 10% debenture interest of Rs.34,000
 - Received Rs.2,500 as dividend from a company in which the public are substantially interested by an account payee cheque.
10. **(a)** Mr. X, purchased a land for Rs.1,20,000 in 2002-03. In 2006-07, a partition takes place when Mr.A, a coparcener, is allowed this plot valued at Rs.1,50,000. In 2007- 08, he had incurred expenses of Rs.2,35,000 towards fencing of the plot. Mr.A sells this plot of land for Rs.15,00,000 in 2024-25 after incurring expenses to the extent of Rs.20,000. You are required to compute the capital gain for the AY 2025-26. 2002-03 is 105, 2006-07 is 122, 2007-08 is 129.
- (b)** X purchases a house property for Rs.76,000 on June 30, 1977. The following expenses are incurred by him for making addition/alteration to the house property:
- Cost of construction of first floor in 1985-86 Rs.1,10,000
 - Cost of construction of the second floor in 2003-04 Rs.3,40,000
 - Alteration/reconstruction of the property in 2012-13 Rs.2,90,000 FMV of the property as on 1st April, 2001 is Rs.4,50,000. The property is sold by X on June 15,2024 for Rs.99,50,000 (expenses incurred on transfer: Rs.10,000). Calculate capital gain. (CII – 2003-04 is 109. 2012-13 is 200)
- (c)** Cost of Jewellery (purchased in the Financial Year, 2005-06) Rs.1,83,000. Sale price of Jewellery sold in January 2025 is Rs.17,50,000. Expenses on transfer Residential house purchased 12,000. Can the computed capital gain can be exempted from tax. If so Justify your answer.

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11. Mr. Rajat submits the following information for the financial year ending 31st March, 2025. Compute the total income and Ascertain the amount of losses that can be carried forward.
- (i) He has two houses :
 - a) House No. I – Income after all statutory deductions Rs.72,000
 - b) House No. II – Current year loss (30,000)
 - (ii) He has three proprietary businesses :
 - Textile Business :
 - a) Discontinued from 31st October, 2024 – Current year loss Rs.40,000
 - b) Brought forward business loss of A.Y. 2013-14 Rs.95,000
 - Chemical Business :
 - a) Discontinued from 1st March, 2015 – hence no profit/loss Nil
 - b) Bad debts allowed in earlier years recovered during this year Rs.35,000
 - c) Brought forward business loss of A.Y. 2023-24 Rs.50,000
 - Leather Business : Profit for the current year Rs.1,00,000
 - (iii) Share of profit in a firm in which he is partner since 2004 Rs.16,550
 - (iv) Capital Gain
 - a) Short-term capital gain Rs.60,000
 - b) Long-term capital loss Rs.35,000
 - c) Contribution to LIC towards premium Rs.10,000
 - (v) Bank Interest Rs.8,000, Interest from POSB A/c Rs.7,000
12. From the following information calculate the taxable income of Ms. Sharmila (age 65) for the A.Y 2025-26 after allowing deductions u/s 80. Her Gross total income is Rs.7,50,000 which includes long term capital gain of Rs.5,000
- (1) She contributed towards RPF – Rs.50,000
 - (2) Paid LIC premium for her married son – Rs.5,000 and for her policy Rs.4,000
 - (3) Paid Medi claim insurance premium of Rs.25,000
 - (4) She also has a medically challenged daughter and incur Rs.7,000 against her treatment
 - (5) She had taken an education loan for which she pays Rs.4,000 every year as interest
 - (6) She got an electric motor cycle for her physically challenged person. She pays every month Rs.3,000.
 - (7) She also makes the following donation
 - a. National relief fund – Rs.8,000
 - b. Indira Gandhi memorial trust – Rs.10,000
 - c. Clean Ganga scheme Rs.3,000
 - d. National Children Fund – Rs.10,000
 - e. Donated blanket to orphanage Rs.18,000
- i. What is her tax liability for the A.Y. 2025-26
 - ii. Will there be any difference in the tax if her age is 80
 - iii. Do you think her tax will be the same if she follows the new tax regime. Justify your answer
- II - Compulsory question (1 × 10 = 10 Marks)
13. Calculate the tax liability from the following information given by Mr. Amul for the A.Y. 2025-26
- (a) He receives a salary of Rs.10,000 p.m. apart from the Dearness allowance of Rs.500 p.m. (not forming part of salary)
 - (b) He has a house property whose Annual value is Rs.3,50,000 out of which Rs.3,500 municipal tax is paid by the tenant

- (c) His income from other sources amounting to Rs.2,60,000
- (e) He has contributed Rs.50,000 towards PPF
- (f) He paid Rs.8,000 towards medical insurance premium
