

Roll.No.

25PCOCT3010

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. - END SEMESTER EXAMINATIONS - NOVEMBER 2025
SEMESTER - III

25PCOCT3010 - Direct Tax and Tax Planning

Total Duration : 2 Hrs. 30 Mins.

Total Marks : 60

Section B

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

1. Mr. Arun an Indian citizen stayed in India for 182 days during the previous year 2024-2025. Identify his Residential Status for the A/Y 2025-26? On the assumption that during the financial year 2014-2015 to 2023-2024, if he was present in India as follows, determine his residential status.

Previous Year	Presence in India In Days
2014-2015	66
2015-2016	180
2016-2017	20
2017-2018	50
2018-2019	50
2019-2020	59
2020-2021	180
2021-2022	50
2022-2023	58
2023-2024	59

2. Mr. Arul holds the following securities during the previous year 2024-25:
- 8% Government of India Bonds (₹1,00,000 face value) — interest payable half-yearly on 30th June and 31st December.
 - 10% Debentures of ABC Ltd., (₹2,00,000 face value) — interest received ₹20,000 (net of TDS @10%).
 - Cash gift from a friend: ₹45,000
 - Jewellery from her cousin: ₹65,000 (FMV)
 - Gift of land (stamp duty value ₹3,00,000) from her uncle (brother of father).

Compute his taxable income under "Other Sources" for A.Y. 2025-26.

3. Write a short note on clubbing of income of a minor child.

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4. What is MAT under Section 115JB and AMT under Section 115JC? State the purpose of their introduction and the rate applicable.
5. Mr. Rajan is the owner of four houses, which are let out and covered by the rent covered act. From the following particulars compute the gross annual value in each case.

Particulars	Rs.	Rs.	Rs.	Rs.
Municipal value	30,000	26,000	35,000	30,000
Annual rent	40,000	30,000	32,000	32,000
Fair rent	36,000	28,000	30,000	36,000
Standard rent	30,000	35,000	36,000	40,000
Unrealised rent	4,000	-	2,000	3,000

6. Mr. Arun sold shares of an Indian company (listed) on 10th October 2024 through a recognized stock exchange. Sale consideration: ₹2,80,000. Cost of acquisition: ₹2,00,000 (purchased on 1st May 2024). STT paid on both purchase and sale. Compute the taxable capital gain for A.Y. 2025–26.
7. Mr. Manoj gives you the following particulars of his income for the year ended 31st March, 2024:

S.No.	Particulars	₹
1	Interest on loan given to a friend (non-relative)	80,000
2	Interest on public provident fund	21,500
3	Winning from crossword puzzle (net)	70,000
4	Directors fee from a company	25,000
5	Royalty on a book written by him	1,50,000
6	Expenses for typing the manuscript of the book	15,000
7	Cash gift from father-in-law	2,00,000

Compute the income of Mr. Manoj for the assessment year 2024–25.

8. Differentiate between Tax Planning, Tax Avoidance, and Tax Evasion with suitable examples.

Section C

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

9. Mr. Kannan is employed in XYZ Ltd., Chennai. During the financial year 2024–25, he received the following:
- Basic Salary: ₹60,000 p.m.
 - DA (40% forms part of retirement benefits): ₹12,000 p.m.
 - HRA: ₹20,000 p.m. (rent paid ₹18,000 p.m., resides in Chennai)
 - Medical Allowance: ₹2,000 p.m.
 - Education Allowance: ₹500 p.m. (for 3 children)
 - Employer's contribution to RPF: ₹90,000

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SEMESTER - III
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- Interest credited to RPF @ 10%: ₹12,000
- Gratuity received on retirement after 30 years of service: ₹7,00,000 (covered under Payment of Gratuity Act).
- Leave encashment on retirement: ₹3,00,000.
- Entertainment allowance – ₹30,000.
- Hostel Allowance for 3 children - ₹600 p.m.

Compute Gross Salary and Income from Salary for the Assessment Year 2025–26.

10. Mr. Singhania constructed a residential house property in Kanpur. Construction was completed on 1st April 2023. The house was vacant from 1st April 2023 to 30th June 2023. The house was let out at rent of Rs.7,500 and 1st August 2023. Mr. Singhania obtained loan for construction. Interest paid on such loan during two years prior to completion of construction amounted to Rs.30,000. Interest paid during the year 2023-24 is Rs.16,000. Fire Insurance premium paid is Rs.2,000. Municipal value of the property has been assessed at Rs.40,000. Annual corporation tax paid Rs.3,000. Compute the Income from House Property for the assessment year 2025-26.
11. Explain the various types of Income Tax assessments under the Income Tax Act, 1961. How does the procedure of e-filing of returns differ from manual filing?
12. Mr. Rahman furnishes you the following information for the financial year 2024–25. Compute the total income of Mr. Rahman for the financial year 2024–25 and any loss eligible for carry forward.

Particulars	₹
Loss from speculation business – A	80,000
Profit from speculation business – B	40,000
Loss from self-occupied house property	1,80,000
Income from let-out house property	4,00,000
Income from trading and manufacturing business @ 8%	2,00,000
Salary income	3,70,000
Interest on PPF deposit	65,000
Long-term capital gain on sale of vacant site	1,10,000
Short-term capital loss on sale of jewellery	50,000
Investment in tax saver deposit on 31.03.2024	60,000
Brought forward loss of business of assessment year 2018–19	1,00,000
Donation to a charitable trust approved under section 80G	1,40,000
Enhancement compensation received from Government for compulsory acquisition of lands in the year 2010	3,00,000

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

13. Mrs. Prakash received the following incomes during FY 2024–25:

- Dividend from an Indian company: ₹40,000
- Winnings from lottery (net amount received after TDS @30%): ₹70,000
- Interest on fixed deposit (net of TDS @10%): ₹18,000
- Interest on saving bank account: ₹5,000
- Family pension ₹1,20,000.
- Interest on bank deposits ₹40,000
- Income from sub-letting a portion of rented house ₹60,000.
- She paid ₹5,000 for collection of pensions and ₹10,000 as repairs for sub-let portion.
- Director Sitting Fees - ₹50,000
- Gift from friends - ₹60,000
- Dividend from Foreign company - ₹70,000

Compute the Total Income from Other Sources for the Assessment year 2025-26.
