

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. CA - END SEMESTER EXAMINATIONS - NOVEMBER 2025  
SEMESTER - V

**25UCCCT5014 - Income Tax Law and Practice-I**

Total Duration : 2 Hrs.30 Mins.

Total Marks : 60

**Section B**

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

- Summarize the history of Income Tax in India.
- Shri Hanuman Prasad has the following incomes for the previous year ending on 31<sup>st</sup> March, 2025.

Particulars	Rs.
Income from salary in India from a company	50,000
Dividend (gross) from an Indian company received in England and spent there	10,000
Income from house property in India received in Pakistan	20,000
Dividend from a foreign company received in England and deposited in a bank there	10,000
Income from business in Kolkata managed from the USA	20,000

- Ram is Karta of Hindu Undivided Family. He went outside India on 1<sup>st</sup> May, 2024. He came back on 10<sup>th</sup> Feb. 2025. In his absence, the business of the family was controlled by his brother. The family has a business in India as well as in China. Compute the residential status of HUF for the A.Y. 2025-26.
- Mr. Kannan a resident of Trichy, receives Rs.1,00,000 p.a. as basic salary and Rs.20,000 p.a. as DA ( $\frac{2}{3}$ <sup>rd</sup> of which is forming part of salary) and he also receives a commission on purchases of Rs.1,000 p.m. Bonus of Rs.15,000 p.a. and HRA of Rs.24,000 p.a. (Rent paid at Trichy Rs.30,000 p.a.). Calculate the taxable HRA.
- Mr. Arumugam has furnished the following particulars:
 

Basic pay	– Rs.6,000 p.m.
DA (forming part of salary)	– Rs.3,000 p.m.
CCA	– Rs.2,500 p.m.
Bonus	– Rs.5,000 p.a.

**Contd...**

He is provided with a rent-free accommodation in Cuddalore, the population of which is 30 lakhs. Compute the perquisite value if

- i. the employer owns such an accommodation
- ii. the employer hires such an accommodation at a monthly rent of Rs.1,500 p.m.

6. Mr. Arun has constructed a house property for which he borrowed Rs.6,00,000 @ 11% per annum on 1.4.2019. The construction was completed on 31.05.2023. It was let out from 1.6.2023. Loan amount was not repaid till date. Calculate the interest on loan to deduct u/s 24 for the P.Y. 2024-25.

7. From the following particulars, compute Gross Annual Value

- MRV - 1,00,000
- FRV - 1,25,000
- SRV - 1,12,500
- Actual Rent - 10,000 p.m.
- URR - 1 month
- Vacancy - 1.5 month

8. Ramakrishna is a Chartered Accountant. He has submitted the following Income and Expenditure Account for the year 2024-25. Assess his income from profession for the A.Y.2025-26.

Expenses	Rs.	Income	Rs.
To Office rent	33,000	By Audit fees	3,00,000
To Salary to staff	75,000	By Financial Consultancy Service	60,000
To Charities	5,000	By Interest on Deposits in a bank	22,000
To Gifts to relatives	6,000	By Dividends on Units of UTI (Gross)	6,000
To Subscription for Journals	2,400	By Accountancy works	32,000
To Drawings	16,000		
To Car expenses	24,000		
To Household expenses	8,600		
To NSCs purchased	20,000		
To Net Income	2,30,000		
	4,20,000		4,20,000

### Section C

Answer any **THREE** questions (3 × 10 = 30 Marks)

9. List out any ten incomes which are exempted as per section 10 under Income Tax Act.

**Contd...**

10. Mr. Maitra a citizen of the U.K. came to India for the first time on 1.5.2018. He stayed here without any break for 3 years and left for Bangladesh on 1.5.2021. He returned to India on 1.4.2022 and went back to the U.K. on 1.12.2022. He was posted back to India on 20.01.2025. Determine his residential status for the A.Y. 2025-26.

11. Mr. Vijayakumar is working in Bharath Electronics Limited, Trichy (Population 45 lakh). He furnishes the following particulars. Compute his taxable salary for the P.Y. 2024-25.

Basic salary	– Rs.9,000 p.m.
DA	– Rs.6,000 p.m.
Bonus	– Rs.5,000 p.a.
Commission (2% on turnover)	– Rs.20,000

He is provided with rent free accommodation by the employer. The rent paid by the company for that accommodation is Rs.4,000 p.m. Employer contribution towards RPF is Rs.24,000.

12. Mr.Lal owns a big house. 50% of the floor area is let out for residential purposes on a monthly rent of Rs.22,500. 25% of the floor area is used by the owner for the purpose of his profession, while remaining 25% of the floor area is utilized for the purpose of his residence. Other particulars of the house are as follows:

	<b>Rs.</b>
Municipal valuation	6,00,000
Standard rent	9,00,000
Municipal taxes paid	80,000
Repairs	30,000
Interest on capital borrowed for repairs	3,00,000
Ground rent	8,000
Annual charges	10,000
Fire insurance premium	12,000

Compute the taxable income from house property of Mr.Lal for the A.Y. 2025-26.

13. From the following P&L account of Mr.Nathan, Compute his income from business for the year ended 31<sup>st</sup> March 2025.

Particulars	Rs.	Particulars	Rs.
To Opening stock	36,000	By Sales	1,25,000
To Purchases	65,000	By Closing stock	75,000
To Wages	4,000	By Sundry receipts	15,000
To Salaries	12,000	By Gift from father	10,000
To General expenses	24,000	By Commission received	
To Income tax	6,000	By Dividend	34,000
To Rent	4,400		16,000
To Donation	2,600		
To Depreciation of car	1,200		
To Car expenses	1,500		
To Wealth tax	3,000		
To Net profit	1,15,300		
	2,75,000		2,75,000

Additional Information:

- i. General expenses include Rs.1,250 being spent for Mr. Nathan's medical expenses.
- ii. Motor car was used 1/3<sup>rd</sup> for personal purposes
- iii. Wages include Rs.200 p.m. for the Motor car driver
- iv. Closing stock is overvalued by Rs.5,000
- v. Opening stock is overvalued by Rs.6,000

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