K25P 2923

Reg. No. : .....

Name : .....

III Semester M.Com. Degree (C.B.C.S.S. – O.B.E. – Reg./Supple./Imp.) Examination, October 2025
(2023 Admission Onwards)
Open Elective Course
CMCOM03O01 : INCOME TAX LAW AND PRACTICE

Time : 3 Hours Max. Marks : 60

SECTION – A

Answer **any five** questions. **Each** question carries **three** marks. **(5×3=15)**

1. Briefly distinguish between direct tax and indirect tax.
2. List any three perquisites taxable in the hands of an employee.
3. Define annual value in the context of house property.
4. Mention any three deductions expressly disallowed under business income.
5. Mr. Anoop bought a car in April 2022 for ₹ 1,90,000 for his personal purpose. On 10th June, 2024, he gifted the car to his son. Sen, who uses it fully for his professional use. The market value of the car on the date of the gift was ₹ 1,70,000. Compute the cost of the car for the computation of depreciation for the previous year 2024-25.
6. Calculate the annual value of the house in the following cases :
   i) Expected rent ₹ 1,00,000
   ii) House left-out @ ₹ 10,000 p.m.
   iii) House tax paid by owner ₹ 9,000 (10% of municipal value)
   iv) The house remains vacant for 1 month.

P.T.O.

SECTION – B

Answer **any three** questions. **Each** question carries **five** marks. **(3×5=15)**

7. Sri Ganesh purchased a plot of land on 30-08-2004 for ₹ 10,17,000. He sold it on 10-12-2024 for ₹ 96,00,000 and invested ₹ 60,00,000 in bonds issued by NHAI on 05-01-2025. Cost inflation index are : 2004-05 : 113 and 2024-25 : 363. Compute the capital gains chargeable to tax for the AY 2025-26.

8. Explain the tax treatment of pension under Income Tax.

9. During the previous year, Mr. Kamal received the following gifts :

Gifts	**Amount (₹)**
1. From his spouse	50,000
2. From his friend	1,00,000
3. From his another friend	56,000
4. From brother	65,000
5. Received by a will from grand mother	3,00,000
6. From a friend on marriage	60,000
7. From fathers's friend	25,000
8. Received house property from a friend (without consideration stamp duty value)	15,00,000

Determine the income from other sources for the AY 2025-26.

10. Define short-term and long-term capital assets and also explain indexed cost of acquisition.

11. Explain the provisions relating to set off of losses.

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SECTION – C

Answer **any three** questions. **Each** question carries **ten** marks. **(3×10=30)**

12. Define residential status. How is the residential status of an individual determined under the Income Tax Act ?

13. From the following information compute Income from House Property.

	₹
Municipal value of house let out	60,000
Fair rental value	70,000
Monthly rent	6,000
Municipal tax paid	5,000
Vacancy	1 month

14. On Mr. X gives you the following particulars from his accounts for the year ended on 31-3-2025 :

a) Net profit ₹ 2,00,000.

b) Contribution to un-recognized provident fund ₹ 40,000.

c) Provision for income tax ₹ 10,000.

d) Advertisement expenses, including advertisement for ₹ 4,000 in souvenir published by a political party.

e) Provision for excise duty ₹ 30,000.

f) Holiday home expenses ₹ 35,000.

g) Insurance premium for the health of employees paid by cheque ₹ 10,000.

h) Penalty imposed by customs authorities for breach of law ₹ 65,000.

i) Interest for late payment of GST ₹ 1,000.

Compute income from business.

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15. Shrikant furnishes the following information for the Previous Year 2024-25 :

Particulars	**Jewellery**
Year of purchase	2003-04
Date of sale	1-7-2024
Cost of purchase ₹	2,18,000
Sale proceeds ₹	12,10,000
Commission paid on sales ₹	10,000

Shrikant purchased a new residential house for Rs. 6,00,000 on 15-3-2025 out of sale proceeds of jewellery. The cost inflation indices for the years 2003-04 and 2024-25 were 109 and 363 respectively. Compute the Capital Gains for the Assessment Year 2025-26.

16. The taxable income of an individual is ₹ 9,70,000 from Business and ₹ 60,000 from House Property for the Previous Year 31st March, 2025. His wife is also employed and getting a salary of ₹ 16,500 per month. Compute his total income and tax liability for the relevant assessment year.

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