



25007834

**QP CODE: 25007834**

**Reg No** : .....

**Name** : .....

**B.COM DEGREE (CBCS) SPECIAL REAPPEARANCE EXAMINATIONS, FEBRUARY  
2025**

**Fifth Semester**

**Optional Core - CO5OCT01 - INCOME TAX - I**

Common for B.Com Model I Finance & Taxation, B.Com Model II Finance & Taxation & B.Com  
Model III Taxation

2022 Admission Only

051C0BA2

Time: 3 Hours

Max. Marks : 80

*Instructions to Private candidates only: This question paper contains two sections. Answer SECTION I questions in the answer-book provided. SECTION II, Internal examination questions must be answered in the question paper itself. Follow the detailed instructions given under SECTION II*

**Part A**

*Answer any **ten** questions.*

*Each question carries **2** marks.*

1. What is 'Maximum Marginal Rate'?
2. Who is an 'Assessee in Default'?
3. Who is an Ordinarily Resident?
4. Define capital and revenue expenditures.
5. State any five items which are exempt from charge of income tax.
6. Discuss the meaning of Unrecognized provident fund.
7. Define the term 'Gratuity'.
8. How is unrealized rent treated for tax purposes?
9. State the tax liability of surrender of salary.





10. What is composite rent? How will you treat such rent for income tax purpose?
11. Explain the concept of deemed profit u/s 41.
12. Write a short note on 'Unabsorbed depreciation'.

(10×2=20)

**Part B**

*Answer any **six** questions.*

*Each question carries **5** marks.*

13. Give a brief history of Indian Income Tax Act.
14. Explain the incidence of tax liability on the basis of residence.
15. Write notes on (a) Free medical facility and (b) Free education facility.
16. Explain the deductions allowable u/s 24(1) while computing the Income under the head 'house property'.
17. List the expenses which are expressly disallowed while computing income from business or profession.
18. Mr. Q, who is foreigner, comes to India for the first time on June 15, 2018. During the Financial Years 2018-19, 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24 he stays in India for 120 days, 115 days, 15 days, 191 days, 54 days and 80 days respectively. Compute his residential status for the A.Y. 2024-25.
19. Mr. Varma provides the following information about his salary  
Income:  
Salary Rs. 15,000 p.m., D.A. (As per terms of employment) 20% of salary, bonus Rs. 15,000, lunch allowance Rs. 500 p.m., medical allowance Rs. 7,000 p.a., C.C.A Rs. 2,400 p.a. He is given a choice to select either: a) Rent free house owned by employer at Chennai or  
b) House rent allowance @ Rs. 4,500 p.m. He can hire similar type of house @ Rs. 2,500 p.m.  
Advise him which option he should choose from taxation point of view.
20. Mr. Gupta furnishes the following information, compute the annual value of the let-out portion of the house for the A.Y. 2024-25.  
Municipal value Rs. 20,000, Municipal tax paid Rs. 4,000. House is being used for self-residential purposes but let-out ¼ portion @ Rs. 400 p.m. with effect from 1-1-2024.





21. Mr. Benny gives the following details of his income:

Financial Year

2022-23 (Rs.) 2023-24 (Rs.)

Income from salary (Computed) 5,00,000 10,00,000

Business Profit 80,000 90,000.

Depreciation current year 6,70,000 6,60,000

Income from other sources 50,000 4,00,000

Compute taxable income of Mr. Benny for the A.Y.2023.24.and 2024-25.

(6×5=30)

### Part C

Answer any **two** questions.

Each question carries **15** marks.

22. Mr. Das Gupta owns a big house, the construction of which was completed in May 2019. 50% of the floor area is let-out for residential purposes @ of Rs. 3,200 p.m. However, this portion remained vacant for one month during 2023-24. 25% of the floor is used by the owner for the purpose of his profession, while the remaining 25% of the floor area is utilized for the purpose of his residence. Other particulars of the house are as follows:

Municipal valuation Rs. 75,000

Standard rent 90,000

Municipal taxes paid 12,000

Repairs 3,000

Interest on capital borrowed

for repairs 28,000

Compute the taxable income under the head house

Property of Mr. Das Gupta for the A.Y.2024-25.

23. Mr. Ashok gives you the following particulars from his accounts for the year ended 31-3-2024:

a. Net profit Rs. 2,20,000

b. Contribution to unrecognized P.F. 40,000

c. Provision for income tax 10,000

d. Advertisement expenses, including an Advt:  
for Rs. 4,000 in souvenir published by political

Party 20,000

e. Provision for excise duty 30,000

f. Holiday house expenses 35,000





g. Insurance premium for the health of employees	
paid by cheque	10,000
h. Penalty imposed by customs authorities	65,000
i. Interest for late payment of GST	1,000

Compute his income from business.

24. Mr. Vinod Kumar was an employee in a company which is not covered by the Gratuity Act. The following particulars are available regarding his income for the year ending 31-3-2024:

i) Salary @ Rs. 47,000 p.m.

ii) D.A @ Rs. 3,000 p.m. under the terms of employment.

iii) He retired from service on 1-1-2024 after 32 years of completed service and received a pension of Rs. 25,000 p.m. and gratuity of Rs. 8,20,000.

iv) He also received Rs. 4,00,000 from the Unrecognized P.F of which he was a member.

Compute the taxable income under the head "Income from Salaries" for the A.Y 2024-25, assuming that salary and pension is due on the last day of the month.

25. What are the provisions of the Income Tax Act regarding:

- a) Leave travel concessions
- b) Entertainment allowances
- c) House rent allowances

(2×15=30)

