



QP CODE: 25018650

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Reg No : .....

Name : .....

**BFM DEGREE (CBCS) SPECIAL REAPPEARANCE EXAMINATIONS, FEBRUARY 2025**

**Fifth Semester**

Bachelor of Financial Markets

**CORE COURSE - FM5CRT19 - INCOME TAX - I**

2022 Admission Only

0896638F

Time: 3 Hours

Max. Marks : 80

**Part A**

*Answer any **ten** questions.*

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

1. Define the term assessment year.
2. How to find out residential status of a company?
3. What are the features of PAN?
4. Give any two examples of income exempted u/s 10 of the Income Tax Act.
5. What is a taxable allowance?
6. What is Statutory Provident Fund?
7. Write a short note on commutation of pension?
8. How is self-occupied house valued?
9. Explain the situations of deemed ownership of a house property.
10. Define the term 'business' u/s 2(13) of IT Act.
11. Write a short note unabsorbed depreciation.
12. Define a block of assets.

(10×2=20)

**Part B**

*Answer any **six** questions.*

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

13. What is direct tax? State its benefits.





14. What is meant by maximum marginal rate? Explain with suitable examples.
15. What do you mean by profits in lieu of salary u/s 17(3) of the IT Act 1961. What are its components?
16. What is composite rent? How will you treat such rent for income tax purpose?
17. Briefly discuss the key rules regarding assessment of profits and gains of business.
18. compute the residential status of the assesses in the following cases for the assessment year 2024-25.
  - a) Mr. Aroma is a citizen of India. He left for Bahrain on 18<sup>th</sup> April, 2023 and could not return to India till the end of the F.Y. 2023-24.
  - b) Mr. Ravi left for the USA on the March, 2021 after having lived in India for 20 years. He returned to India on 10<sup>th</sup> September, 2023.
19. An employer has taken a house on rent @ Rs. 10,000 p.m. He allotted half the house to Mr. John and the other half to Mr. Sunny for residential purposes. The annual salary of Mr. John is Rs. 3,00,000 and of Mr. Sunny Rs. 7,00,000. Compute the value of rent –free house for both the parties.
20. The net Annual value of a house property is Rs. 72,000. The deductions claimed are as follows:

Repairs Rs. 2,200, house tax paid Rs. 6,000 interest on loan (for repairing the house) Rs. 40,000 and insurance premium due Rs. 1,000.

Compute the income from house property for A.Y. 2024-25.
21. On 1<sup>st</sup> April, 2023 the W.D.V of a block of assets comprising 10 machines in the production department (rate of depreciation 15%) is Rs. 12,50,000. A new machine falling within that block is acquired on 15<sup>th</sup> December, 2023 for Rs. 2,00,000. On 24<sup>th</sup> January, 2024 all the 10 machines were sold for Rs. 50,000 leaving only the newly acquired machine in the block.

Compute the amount of depreciation.

(6×5=30)

### Part C

Answer any **two** questions.

Each question carries **15** marks.

22. Compute taxable salary of Mr. Zen for the A.Y. 2024-25:

Salary Rs. 60,000 p.m. and D.A. Rs. 10,000 p.m.





Entertainment allowance Rs. 1,200 p.m.

Contributions to recognized P F--Employer Rs. 88,800 and Mr. Zen Rs. 88,800.

Interest @ 10% p.a. on credit balance of recognized P.F. amounted to Rs. 50,000.

City compensation allowance Rs.500 p.m. and medical allowance Rs. 1,200.

He has been provided with a large car for both official and personal use. Employer bears all the expenses of the car. He is provided an unfurnished house by the employer in city (population 12 lakh).

The fair rental value of the house is Rs. 90,000 p.a.

The employer charges Rs. 2,000 from him p.m. as rent.

23. Mr. Sam has a big house consisting of 4 units. One portions is occupied by him and others are let-out. The following data are available for the A.Y. 2024-25.

- a) Municipal value (entire house) Rs.16,00,000 (municipal taxes paid Rs. 12,000)
- b) Standard rent of the house Rs. 20,00,000
- c) Actual rent (for the year) for three portions Rs.18,00,000
- d) Insurance premium annual Rs. 40,000
- e) Repair and collection charges Rs. 1,25,000
- f) Loan taken for house construction Rs. 50,00,000 @ of 10%p.a.

One portion remained vacant for 1 month and another portion remained vacant for 2 months.

Compute income from house property for the A.Y.2024-25.

24. State, giving brief reasons, whether the following items are allowable while computing profits & gains of business or profession:

i) Donation to a political party. ii) Fees paid to the lawyer for drafting a new Partnership Deed. iii) Sums paid to a labour leader to call off the strike iv) Bonus to partner for extra services. v) Interest paid to wife on money borrowed from her. vi) Subscription for magazines paid by a Doctor for the benefit of his patients. vii) Major repairs to the air-conditioner in the office. viii) Loss due to embezzlement by an employee. ix) Rent paid to daughter for office block which was gifted to her at the time of her marriage.x) Lump-sum consideration paid on 1.7.2023 for acquiring know-how Rs.6,00,000.

25. Discuss in detail the evolution of Income Tax in India.

(2×15=30)

