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Reg. No.....

Name.....

B.Com. DEGREE (C.B.C.S.S.) EXAMINATION, JUNE 2026

Sixth Semester

Commerce

Optional Core Course—INCOME TAX - ASSESSMENT AND PROCEDURE

{For Optional Stream Finance and Taxation}

(2014—2016 Admissions—Mercy Chance)

[For Private Registration Candidates]

Time : Three Hours Maximum Weight : 25

Instructions : *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**.

Section I

PART A

Answer **all** *questions.*
Each bunch of **four** *questions carries a weight of* 1.

I. Choose the correct answer from the choices given below :

1 The income from the sale of household furniture is :

a) Income from other sources. b) Capital gains.

c) Revenue income. d) None of these.

2 Interest received on bank deposits are generally taxable under :

a) Capital gains. b) Salaries.

c) Income from other sources d) House property

3 Family pension deduction is available under :

a) Section 57. b) Section 80C.

c) Section 24. d) Section 10 (14)

Turn over

4 A return filed after the prescribed due date is known as :

a) Belated return. b) Revised return.

c) Defective return. d) Invalid return.

II. Fill in the blanks :

5 Self- assessment tax is paid by the ——————————.

6 TAN consists of ——————————.

7 Adjustment of loss against income under the same head is called ——————————.

8 ITAT stands for ——————————.

III. State whether the following statements are True *or* False :

9 Dividend income is generally taxable under the head House Property.

10 Long-term capital loss can generally be set off against business income.

11 Income from all the five heads is aggregated to arrive at gross total income.

12 Capital loss may generally be carried forward for 4 assessment years

IV. Match the following :

13 LTCG	a) Section 80G.
14 Dividend from UTI	b) Index cost.
15 Section 80E	c) Fully exempt.
16 Donation	d) Section 80C.
	e) Fully taxable.
	f) Interest on education loan.

(4 × 1 = 4)

PART B

Answer any **five** *questions.*
Each question carries a weight of 1.

17 What is meant by full value of consideration ?

18 Distinguish between short-term and long-term capital gains.

19 What is meant by casual income ?

20 How is speculation business loss set-off ?

21 What are the provisions relating to carry forward of unabsorbed depreciation ?

22 What is meant by advance tax ?

23 Explain the procedure for claiming a refund of income tax.

24 What is meant by a notice of demand ?

(5 × 1 = 5)

PART C

Answer any **four** *questions.*
Each question carries a weight of 2.

25 Explain the meaning of transfer of a capital asset under the IT Act.

26 Explain the various types of income taxable under the head "income from other sources."

27 Explain the role and functions of the Tax Recovery Officer.

28 Discuss the provisions relating to carry forward and set-off of capital losses.

29 Mr. Abraham purchased a residential house on 1 April 2010 for Rs. 12,00,000. He incurred the following expenses :

Improvement in 2014-15—Rs. 3,00,000

Improvement in 2018-19—Rs. 4,00,000

Transfer expenses—Rs. 75,000

He sold the house on 30th September 2025 for Rs. 50,00,000. Further he purchased another residential house on 15 the January 2026 for for Rs. 20,00,000. The CII is : 2010-11—167, 2014-15-240, 2018-19-280 and 2025-26-376.

Calculate the taxable long-term capital gain.

30 The gross total income of Mrs. Hanna David amounted to Rs. 8,00,000 in the previous Year ended 31st March, 2025.

She has made the following Donations by cheques :

i) Rajasthan Earthquake Relief Fund Rs. 20,000

Turn over

ii) P.M. National Drought Relief Fund Rs. 15,000

iii) P.M National Relief Fund Rs. 75,000

Compute Hanna's total income if her income includes STCG Rs. 5,000,

LTCG Rs. 50,000. She has paid to GIC under Medi claim Rs. 4,000 by cheque and Rs. 6,000 for LIC pension fund.

(4 × 2 = 8)

Part D

Answer any **two** *questions.*
Each question carries a weight of 4.

31 Mr. Anil Gupta sold a house for Rs. 20,00,000 on 1st November, 2023. The house was constructed by him in 2001 at the cost of Rs. 1,20,000 and used for own residence. Besides he has two more houses. On 1st February, 2024 he invested Rs. 10,00,000 to specified bonds of NHAL. After construction he spent Rs. 28,400 in 2006-07 on the improvement of the house.

Compute his taxable capital gains. He paid 3 % brokerage for selling the house and other expenses were Rs. 10,000.

On 1st April, 2001 the fair market value of the house was Rs. 1,40,000.

CII for 2001-02 -100, 2006-07-122, and 2023-24—348.

32 Mr. X received the following incomes during the previous year 2024-25 :

		Rs.
Interest FD from PNB	...	5,000
Royalty on stone mine	...	17,000
Dividend on shares of Arvind Mills	...	4,000
Prize of UP State Lottery (Gross)	...	20,000
Horse Race income (Gross)	...	10,000
Agricultural income in Myanmar	...	13,000
Interest on Post-Office Savings Bank	...	2,700
Salary from a trader for part-time service	...	12,000

Considering the following points, compute his income from other sources for the Assessment Year 2025-26 :

i) Bank commission Rs. 250 for collection.

ii) He has purchased lottery tickets Rs. 4,800 during the previous year.

iii) Rs. 1,000 spent to keep account and collection of royalty.

iv) Tax deducted at source @ 30 % in respect of lottery prize.

33 Explain the following :

1 Less tax securities.

2 Right and Bonus shares.

3 Duties and powers Of CBDT.

4 Tax clearance certificate.

5 e- filing of tax return.

(2 × 4 = 8)