

6/COM-352 Syllabus-2023

2026

(May-June)

FYUP : 6th Semester Examination

COMMERCE

(Direct Tax)

(COM-352)

Marks : 75

Time : 3 hours

*The figures in the margin indicate full marks
for the questions.*

1. (a) Explain the concept of income and give its features. 2+6=8

- (b) What do you mean by person? Discuss various kinds of persons explained u/s 2(31) of the Income-tax Act. 2+5=7

Or

- (a) Explain how the residential status of an individual is determined in India under the Income-tax Act. 8

- (b) State the incomes which are neither included in total income nor income tax is payable on them. Discuss any two of them in detail. 7

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(Turn Over)

2. (a) What is annual value?

3

(b) Following are the particulars of two house properties owned by Mr. Kajal :

	House—I	House—II
Municipal valuation (in ₹)	96,000	90,000
Fair rent (in ₹)	88,000	96,000
Standard rent	90,000	1,08,000
Actual rent received per month (in ₹)	9,000	15,000
Self-occupied	1.4.2024–30.11.2024	1.12.2024–31.3.2025
Let out	1.12.2024–31.3.2025	1.4.2024–30.11.2024
Municipal taxes :		
Due (in ₹)	7,000	9,000
Paid (in ₹)	4,000	5,000
Interest on borrowed money (in ₹)	12,000	41,000

Loan taken to construct House—II is still outstanding. Loan was taken in 2015 and construction was completed in 2017.

Find out Mr. Kajal's Income from House Property.

12

Or

Mr. Raj, Manager of an automobile company at Bengaluru, population 80 Lakhs (2011), submits the following particulars of his income for the Financial Year 2024–2025 :

- Basic salary—₹ 20,000 p.m.
- DA—₹ 5,000 p.m. (₹ 2,000 p.m. enters into retirement benefit)
- Education allowance for two children at ₹ 350 p.m. per child and hostel allowance for two children at ₹ 500 p.m. per child

(iv) Commission—₹ 48,000

(v) Employer's contribution to RPF—
₹ 38,000

(vi) Entertainment allowance—₹ 1,800 p.m.

(vii) Travelling allowance for his office tours ₹ 31,000. Actual expenditure on tour amounted to ₹ 25,000. During one of the official tours to Kolkata, his wife accompanied him and the expenditure incurred by employer to provide this facility to his wife is ₹ 21,000 whereas only ₹ 9,000 is recovered from Mr. Raj

(viii) Interest credited to RPF Account in the previous year @ 10% amounted to ₹ 10,000

(ix) He resides in the bungalow of the company. Its fair rent is ₹ 8,000 p.m. The company deducted ₹ 2,500 p.m. from salary as rent of the bungalow

(x) A cook has been provided by the company at the bungalow who was paid ₹ 2,150 p.m.

(xi) He paid professional tax of ₹ 300 p.m.

Compute his Taxable Salary Income for the Assessment Year 2025-2026 under both the old and new regime.

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3. (a) What do you understand by the terms 'business' and 'profession' as defined u/s 28 of the Income-tax Act?

3

- (b) From the following statement of profit and loss of a manufacturer, calculate the income under the head profits and gains of business or profession for the year ending 31st March, 2025 : 12

	₹		₹
Salary to Employees	2,34,500	Gross Profit	5,80,000
Advertisement Expenses (in cash)	24,000	Interest on Securities	14,000
Drawings	28,000	Income from House Property	25,000
GST (Due and paid on 1.7.2025)	6,000	Bad Debts Recovered (Allowed earlier)	12,000
Interest on Capital	7,000		
Repairs	2,500		
Legal Expenses	26,000		
Depreciation	15,000		
Bonus (Due)	6,000		
Car Purchased	72,000		
Expenses on Car	12,000		
Provision for Bad Debts	8,000		
Net Profit	1,90,000		
	<u>6,31,000</u>		<u>6,31,000</u>

From the examination of books of accounts the following information are available :

- Advertisement expenses were spent on the insertions in newspapers
- ₹ 2,500 were spent on registration of land purchased and are included in legal expenses
- Half of the repair expenses were on let-out building

(iv) Depreciation allowable on all assets including car—₹ 12,000

(v) Bonus was paid to employees on 30.6.2025 and date of filing return is 31.7.2025

Or

(a) Explain casual income. 3

(b) Mr. X sold a plot of land on 1.6.2024 (CII = 363) for ₹ 7,45,000. He paid ₹ 20,000 as selling expense. The plot was received by him on the death of his father on 15.03.2005 (CII = 113). His father had acquired the house for ₹ 80,000 and its FMV on 1.4.2001 was ₹ 1,55,000.

On 1.10.2024 he invested ₹ 1,50,000 in bonds issued by Rural Electrification Corporation Limited notified u/s 54 EC and ₹ 1,00,000 on 1.3.2025 in bonds of National Highways Authority of India. Calculate his taxable capital gain if—

- (i) plot is transferred on 1.6.2024;
- (ii) plot is transferred on 15.9.2024. 12

4. (a) Explain the term 'rebate and relief'. 3

(b) Mr. Das is a teacher of an institution. Given the following information are available :

- (i) Salary—₹ 50,000 p.m.
- (ii) Royalty from books—₹ 90,000

(iii) Remuneration from examination—
₹ 7,800

(iv) Wardenship allowance—
₹ 4,000 p.m.

(v) Medical allowance—₹ 2,500 p.m.

(vi) Employers contribution to RPF @
15% of salary whereas his contribu-
tion is 12% of his salary

(vii) Income from lottery (net)—
₹ 31,500

(viii) Expenses on lottery tickets—
₹ 7,500

(ix) Deposit in SSA for his daughter—
₹ 10,000

(x) Donation to PM National Relief
Fund—₹ 11,000

Compute his Total Income and Tax
Liability for the Assessment Year
2025-2026 under—

(1) old tax regime;

(2) new tax regime.

12

Or

(a) Distinguish between Gross Total
Income and Total Income.

3

(b) The Profit and Loss Account of a
firm in which the partners X, Y and Z
share profits and losses in the ratio of
5 : 4 : 1 respectively discloses profit of
₹ 2,80,525 for accounting year ending

(7)

on 31.03.2025 after considering the following :

Debit	₹	Credit	₹
Donation to National Defence Fund	11,000	Capital gain on sale of Machinery	5,000
Salary to Partners :		Interest on Debentures	
X	15,000	after deduction of	
Y	19,000	tax at source	
Z	22,000	₹ 2,500	22,500
Commission to X	6,000	Interest on Securities	
Office Rent (paid to Y)	12,000	(Gross)	3,500

Compute the total income of the firm for Assessment Year 2025-2026. The firm has submitted certified copy of partnership deed along with return where it provides for payment of salary, commission to working partners X, Y and Z.

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5. Write short notes on the following : 3×5=15

- (a) TAN
- (b) Deduction u/s 80D
- (c) Perquisites
- (d) Income from profession
- (e) Marginal rate of tax
