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**VI Semester B.Com. (Regular)/ L.S.C.M./B.D.A./A&F/I.A.S./T.T.M.****Degree Examination, June - 2025****COMMERCE****Income Tax Law and Practice - II****(NEP Scheme Freshers and Repeaters)****Paper : 6.2****Time : 2½ Hours****Maximum Marks : 60****Instructions to Candidates:**

Answers should be written only in English.

**SECTION - A****Answer any FIVE of the following sub-questions. Each right answer carries 2 marks.  
(5×2=10)**

1. a. What is Profession?
- b. What is Transfer under section 2(47)?
- c. What is deemed income?
- d. Explain the provision under section 80u.
- e. How do you treat family pension received by the family members of a deceased person?
- f. Expand CBDT and DTC
- g. Write a slab rate for the assessment year 2024-25 under Old Tax Regime.

**SECTION - B****Answer any FOUR of the following questions. Each right answer carries 5 marks.  
(4×5=20)**

2. Mr. Vakil has the following receipts and payments for the year ended 31-3-2024. Compute his professional income.

**[P.T.O.]**



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Receipts	Rs.	Payments	Rs.
To Consultation Fee	2,00,000	By Office Rent	1,20,000
To Drafting Charges	1,50,000	By Salary to junior staff	84,000
To Dividend Received	60,000	By Car expenses	
To Lecturer in Law		(25% personal)	40,000
Institute and Guest faculty	20,000	By Books (annual)	10,000
To Gift from Clients	30,000		
To contribution to PPF	15,000		
To Balance c/d	1,91,000		
	<b>6,66,000</b>		<b>2,54,000</b>

3. Mr. Nirmal purchased a plot in 2002-2003 for Rs. 2,00,000. It was sold on 15-1-2024 for Rs. 22,80,000 and he paid Rs. 2,00,000 as brokerage charges. He invested Rs. 2,00,000 in NABARD Bonds and Rs. 3,10,000 in Bonds issued by Rural electrification corporation limited.

Compute his taxable capital gain if the CII for 2002-03 is 105 and CII for 2023-24 is 348.

4. Mr. Virats investments during the previous year 2023-24 are as follows.

- Rs. 30,000, 10% Delhi corporation Bonds.
- Interest of Rs. 3,000, on year post office National Savings Certificate.
- Rs. 25,000, 7% National Plan Certificate.
- Rs. 20,000, 9% Governments of England Bonds.
- Interest on Central Government Securities Rs. 3,000.

He paid Rs. 150 as commission for collecting the interest income. Compute taxable income from other sources for the Assessments year 2024-25.

5. Mention any five items qualified for deduction under section 80C of Income Tax Act. Also mention the maximum amount of deduction allowable under this section.
6. Explain the provision for set off and carry forward of the following losses.
- Loss from House Property.
  - Speculation Business Loss.
  - Short-term Capital loss.



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## SECTION - C

Answer any TWO of the following questions. Each right answer carries 12 marks.

(2×12=24)

7. Mr. Govinda (aged 57 years) a resident of Mumbai submits the following Trading and Project and loss account for the year ending 31<sup>st</sup> March 2024.

Particulars	Amount	Particulars	Amount
To Opening stock	1,10,000	By Sales	36,00,000
To Purchases	14,00,000	By closing stock	2,20,000
To Wages	3,00,000		
To Gross profit	20,10,000		
	<b>38,20,000</b>		<b>38,20,000</b>
To Advertisement	2,00,000	By Gross profit b/d	20,10,000
To salary to staff	6,60,000	By Rent	2,40,000
To Govindas salary	1,20,000		
To Audit Fees	60,000	By commission	1,50,000
To Bad debts	40,000	By Bad debits	
To Reserve for bad debts	50,000	recovered	
To General expenses	2,50,000	(earlier disallowed)	70,000
To Municipal Tax on		By Dividend on ABC	
business premises	24,000	Ltd. shares(gross)	30,000
To fire Insurance premium			
on goods	26,000		
To Depreciation	78,000		
To Patent Rights	1,60,000		
To Staff welfare funds	40,000		
To Employees RPF	50,000		
To Goods and service Tax	1,90,000		
To Donation to NDF	1,00,000		
To Premium on Govinda's			
life insurance	36,000		
To Net profit	4,16,000		
	<b>25,00,000</b>		<b>25,00,000</b>

**Other information:**

- Advertisement includes Rs. 1,00,000 being cost of Permanent signboard.
- Business income of Rs. 70,000 was not recorded in the profit and loss a/c.
- General expenses include Rs. 50,000 paid for securing business orders and Rs. 60,000 spent on Govinda's Birthday.
- Depreciation allowable on all assets including permanent sign board but excluding patent rights as per. IT Rules was Rs. 90,000.
- Patent rights were acquired on 11-10-2023 on which depreciation allowable at 25%. Compute taxable income from business for the assessment year 2024-25. (Ignore Alternative tax Regime U/S 115 BAC).

[P.T.O.]



8. During the previous year ending on 31-3-2024 Mrs.Lavanya sells the following.

Assets	Date of Sale	Sales Consideration	Cost of Acquisition	Year of Purchase
a. Shares	10-4-23	22,25,000	16,00,000	2013-14
b. Agricultural land in rural area	25-5-23	42,50,000	5,75,000	1993-94
c. Agricultural land in urban area	10-6-23	70,12,500	6,25,000	1999-2000
d. Non-Listed debentures	10-4-23	7,25,000	4,25,000	2013-14
e. Personal Car	01-7-23	25,000	3,00,000	2014-15

The Fair market value of agricultural land in urban area on 1-4-2001 was Rs. 5,00,000. On 31-7-2023 Lavanya deposits Rs. 5,00,000 in CGAS U/S 54B for claiming exemption in future for purchasing agricultural land. Find out her taxable capital gain for the Assessment year 2024-25.

Given CII-2023-24 is 348, 2013-14 is 220 and 2014-15 is 240.

9. Sri Eshwar, 57 years of age furnishes the following particulars of incomes and losses for the assessment year 2024-25.
- Taxable Income from salary Rs. 50,000.
  - Income from House property (computed) Rs. 16,000.
  - Profit from ready made garment business Rs. 40,000.
  - Speculative Profits Rs. 10,000.
  - Long Term capital Gain Rs. 24,000.
  - Short term capital Gain Rs. 8,000.
  - Share of profit from HUF Rs. 7,800.
  - Current year Depreciation Rs. 4,500.

The following entries are brought forward from the assessment year 2024-25.

- Unabsorbed depreciation Rs. 5,000.
- Long Term Capital Loss Rs. 15,000.
- Short Term Capital Loss Rs. 6,000.

Compute his Taxable total income and Tax Liability for the Assessment year 2024-25.

#### SECTION - D

Answer any ONE of the following question. Each question carries Six marks.(1×6=6)

- Prepare a format for computation of taxable income from business with imaginary figures.
- List any Six incomes which are taxable under the head income from other sources.