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V Semester B.Com. (Regular)/B.D.A./A&F/T&T/LSCM.

Degree Examination, December/January - 2025/26

COMMERCE

Income Tax Law and Practice-I

(NEP Scheme F+R)

Paper : 5.2

Time : 2 ½ Hours

Maximum Marks : 60

Instructions to Candidates:

Answers should be written in English Only.

SECTION - A**Answer any Five of the following sub-questions. Each sub-question carries 2 Marks.****(5×2=10)**

1. a) Who is an Assessee?
- b) Who is Total Income?
- c) Expand CBDT and CIT.
- d) What is unrealised Rent?
- e) Give the meaning of casual income.
- f) Who is Non-Resident?
- g) Write any two powers of Assessing Officer.

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

2. Mrs. Rajini came to India for the first time on 16-04-24, and stayed until 05-01-25, before departing. Determine her residential status for the assessment year 2025-26.

[P.T.O.]



3. Mr. Raju received a gratuity of Rs. 7,00,000 from JJ Pvt. Ltd. He retired after serving for 33 years, 6 months and 2 days. At retirement, his monthly salary was Rs. 30,000 and his DA was Rs. 10,000 pm. Mr. Raju is covered under the gratuity Act 1972. Calculate taxable gratuity.
4. Mr. Madan has let out a house property. The details of the property are as follows:
Fair Rent - Rs. 1,00,000 p.a., Municipal value Rs. 1,70,000 p.a., Standard Rent Rs. 1,00,000 p.a. Rent received Rs. 20,000 pm. The house remained vacant for one month, and the property tax was paid by Mr. Madan for Rs. 6,000. You are required to find out the net annual value of the property.
5. Briefly explain any five canons of taxation.
6. Classify the following into Agriculture and non-Agriculture Incomes.
 - a) Sale of flowers and creepers Rs. 8,000
 - b) Dividend from a company engaged in agricultural operations Rs. 20,000
 - c) Income from royalty from mining Rs. 5,000
 - d) Sale of spontaneous trees Rs. 24,000
 - e) Rent from leasing agricultural land Rs. 10,000

SECTION - C

Answer any Two of the following questions. Each question carries Twelve marks.
(2×12=24)

7. Following are the taxable income of Mr. Kiran for the pervious year 2024-25
 - a) Profit of a hotel business in Australia is Rs. 2,00,000
 - b) Dividend declared in Japan, received in India Rs. 60,000
 - c) Profit from the sale of a building in India Rs. 5,10,000
 - d) Royalty received in Germany for technical services provided for a business carried on in Germany Rs. 70,000



- e) Dividend from Biocon Ltd. Rs. 25,000 (India)
- f) Interest on England development bond (1/5 of the amount received in India) Rs. 1,00,000
- g) Income-accrued in Bengaluru but received in Singapore Rs. 60,000
- h) Gift received from a non-relative Rs. 1,00,000
- i) Interest from post office SB A/c Rs. 4,000
- j) Interest on FD from SBI Rs. 10,000
- k) Income from Mining in India Rs. 1,00,000
- l) Profit from an organic food business in India Rs. 5,00,000 but received in Nepal.

Compute the total taxable Income of Mr. Kiran for the assessment year 2025-26, if he is

- i) A Resident
- ii) A resident and not ordinarily resident and
- iii) Non resident

8. Mrs. Sushma owns two houses. She has let out both the houses throughout the year for residential purposes.

	HP at Mysore	HP at Mumbai
Municipal value	6,00,000	5,00,000
Fair Rent	7,50,000	12,20,000
Rent Received	3,00,000	7,20,000
Standard Rent	2,00,000	6,00,000
Repairs	7,000	1,00,000
Municipal tax paid	40,000	1,20,000
Insurance on HP	48,000	70,000

On 1-4-24 she bought a residential house in Bengaluru for self-occupation for Rs. 90,00,000 by taking a housing loan from Canara Bank. The Loan amount was Rs. 20,00,000 and the interest rate was 8% p.a. Determine taxable income from the House property for the assessment year 2025-26.

[P.T.O.]



9. Mr. Prashanth is an employee at an Edutech Company in Bengaluru. He gives the following information for the assessment year 2025-26

Basic salary Rs. 30,000 p.m.

DA Rs. 6,000 p.m. (Rs. 3,000 pm) enters

Family Allowance Rs. 600 p.m

City compensatory Allowance Rs. 800 p.m

Education allowance (for two children) at Rs. 350 per child per month.

Entertainment allowance Rs. 750 pm

Conveyance allowance of Rs. 8,000 per visiting the branches

He and the company each contribute 14% of their salaries to the RPF

Interest on RPF was Rs. 15,000 at 15% p.a.

Professional tax Rs. 200 pm

The Company provided, 800 cc car with driver for both purpose and Expenses paid by Company.

Ascertain the income from salary for the assessment year 2025-26.

SECTION - D

Answer any one of the following questions. This question carries 6 marks. (1×6=6)

10. Draw an organisational chart of Income tax Authorities.
11. List out any 6 Incomes exempt from tax under section 10 of an individual.