



End Term (Odd) Semester Examination November 2025

Roll no.

Name of the Course and semester: B. Com (Hons.)-5TH SEM

Name of the Paper: Income Tax Law and Practices

Paper Code: BCH-501

Time: 3 hour

Maximum Marks: 100

Note:

- (i) All the questions are compulsory.
- (ii) Answer any two sub questions from a, b and c in each main question.
- (iii) Total marks for each question is 20 (twenty).
- (iv) Each sub-question carries 10 marks.

Q1. (CO:1)

(2X10=20 Marks)

- a. Discuss the Incidences of tax depending upon the source of income.
- b. The incomes of Mr. Sharma are as follows:
 - 1. Interest on England Development Bond (1/5th received in India) Rs. 2,50,000.
 - 2. Income from agriculture in America received there, but later on remitted to India Rs.1,62,000.
 - 3. Income from the property in Canada received outside India Rs. 80,000.
 - 4. Income earned from business in Uganda, controlled from Delhi (Rs. 50,000 is received in India), Rs. 90,000.
 - 5. Profit from a business in Chennai which is controlled from London Rs. 4,00,000.
 - 6. Profit on sale of a building in India but received in Sri Lanka Rs. 36,000.
 - 7. Untaxed profit of 2021-22 brought to India during the current Financial Year Rs. 1,50,000.
 - 8. Income from profession in Kenya received there, the profession was set up in India, Rs. 75,000.

Calculate the gross total income if he is a resident and ordinarily resident, resident but not ordinarily resident and non-resident for the Financial Year 2024-25.

- c. Discuss the taxability of agriculture income with help of example.

Q2. (CO:2)

(2X10=20 Marks)

- a. Discuss the tax implications of House Rent Allowance (HRA) for an employee living in a rented house and value of rent-free accommodation provided by an employer.
- b. Mr. X is employed by YZ Ltd. at Delhi up to 30-11-2024 on the following terms:
 - 1. Basic Salary Rs. 40,000 per month.
 - 2. Dearness Allowance is 30% of basic salary (60% forms part of salary)
 - 3. House Rent Allowance Rs. 16,000 per month.
 - 4. Rent paid by Mr. Rs. 22,000 per month (w.e.f. 1.12.2024, Mr. X joined Q Ltd. at Amritsar on the following terms:
 - 1. Basic Salary Rs. 80,000 per month.
 - 2. Dearness Allowance Rs. 64,000 per month (forms part of salary)
 - 3. Rent paid by Mr. X Rs. 15,200 per month.
 - 4. House Rent Allowance Rs. 48,000 per month.

Find the taxable House Rent Allowance for the Assessment Year 2025-26.

- c. Mr. A has a house property let-out for residential purposes. The following are the details of the property let out.
 - Municipal rental value Rs. 17,000 per month.
 - Actual Rent realized Rs. 18,000 per month.
 - Rent Payable under the Rent Control Act Rs. 17,000 per month.
 - The rent payable for a similar house is Rs. 18,000 per month.
 - He has paid 15% of the Municipal Valuation as local taxes, 2% of valuation as health and education cess.



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The construction of property began in September 2019 and completed in February 2022. He had borrowed loan for the construction of the house property on which he has paid Rs. 4,00,000 as interest up to 31.03.2021 and Rs. 100,000 as interest during the Previous Year. Compute the income from house property for the Assessment Year 2025-26.

Q3. (CO:3)

(2X10=20 Marks)

- a. Mr. B is a cloth merchant. From the following P&L for the year ended 31st March 2025, compute his income from business and his gross total income for the assessment year 2025-26.

Particulars	Amount (Rs.)
Salaries and Wages	45,000
Rent & Wages	12,000
Domestic Expenses	6,000
TDS on Interest	1,500
Postal Charges	4,500
Income Tax	3,600
Donation	7,500
Life Insurance Premium	2,000
Audit Fees	4,500
Bad Debt Reserves	5,400
Bad Debt	7,500
Depreciation	15,000
Gross Profit	8,10,000
Dividend on shares	12,000
Rent from Building Let-out	30,000
Net Profit	7,33,500

- b. Mr and Mrs Rishabh received the following gifts on their marriage anniversary from their relatives and family members :

1. Cousin of Rishabh gifted a diamond ring to his wife valued at Rs. 2,40,000.
2. Cousin of his wife gifted Rs. 50,000 to Rishabh.
3. Maternal uncle of Rishabh gifted Rs. 92,000 to him.
4. Father and mother of his wife gifted Rishabh Rs. 52,000 each.
5. Family friend of Rishabh gifted his wife a gold chain worth Rs. 3,00,000.
6. Sister-in-law of Rishabh gifted him Rs. 100,000.
7. Son of Mr and Mrs Rishabh gifted his mother Rs. 1,60,000.

Compute Income from other Sources.

- c. Mr. Raj purchased a residential house property on 1st June 2010 for ₹12,00,000. He incurred ₹3,00,000 on renovation during 2012. On 10th October 2024, he sold the property for ₹60,00,000. Brokerage paid on sale was ₹1,20,000.

Additional details:

FMV as on 1st April 2001 = ₹8,00,000

Indexed Cost Inflation Index (CII):

FY 2001-02 = 100

FY 2010-11 = 167

FY 2012-13 = 200

FY 2024-25 = 363

Compute the Long-Term Capital Gain chargeable to tax for the Assessment Year 2025-26.

Q4. (CO:4)

(2X10=20 Marks)

- a. "While rebates directly reduce the tax payable, reliefs are granted to avoid double taxation or hardship arising from salary arrears, advance salary, or tax paid outside India", Discuss the provisions



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of rebates and reliefs under the Income Tax Act, 1961.

b. Mr. Rohan (Age 35) furnishes the following data for FY 2024-25:

Particulars	Amount (₹)
Basic Salary	6,00,000
DA (Forms part of salary)	60,000
HRA received	2,40,000
Rent paid for accommodation in Delhi (Metro)	1,80,000
Interest on housing loan (self-occupied property)	2,10,000
Business Income (before adjustments)	3,20,000
Disallowed Expenses (Income Tax & personal)	15,000
LTCG on listed shares (STT paid)	1,40,000
Interest on bank deposits	28,000
Life Insurance Premium (u/s 80C)	60,000

Compute the Total Income for the A.Y. 2025-26.

c. Explain the provisions of clubbing of income under the Income Tax Act, 1961.

Q5. (CO:5)

(2X10=20 Marks)

- Highlight the provisions for on line filing of income tax returns for specified assesses and how it differs with respect to other assesses.
- Interpret the procedures of Compulsory online filing of returns.
- Figure out the steps involved in E- filing of income tax returns.

