



Mid Term (Odd) Semester Examination September 2025

Roll no.....

Name of the Course and semester: B. Com (Hons) – 5th Semester

Name of the Paper: INCOME TAX LAW AND PRACTICES

Paper Code: BCH-501

Time: 1.5-hour

Maximum Marks: 50

Note:

- (i) Answer all the questions by choosing any one of the sub questions
- (ii) Each question carries 10 marks.
- (iii) Please specify COs against each question.

Q1. (10 Marks)

- a. Compute the tax liability of Mr. X who has an agricultural income of ₹ 1,20,000 and non-agricultural income of ₹ 12,00,000 for the Assessment Year 2025-26. Discuss any three exceptions u/s 10 of the Income Tax Act 1961. (CO: 1)

OR

- b. Specify the residential status and its implications for tax planning based on the conditions for calculating taxable income. (CO:1)

Q2. (10 Marks)

- a. Particulars of income of Shri Ashok who is resident but not ordinarily resident for the Assessment Year 2025-26 are given below, calculate Gross Total Income of Shri Ashok (CO:1)

- 1. Profit from business in the U.S.A. received in India ₹ 100,000.
- 2. Share of profit from a firm in India ₹ 50,000.
- 3. Income from house property in the U.S.A. deposited there ₹ 6,00,000.
- 4. Income from agriculture in Sri Lanka received in India ₹ 4,00,000.
- 5. Profit from business in the U.K. which is controlled from India but deposited in a Bank Account in the U.K. ₹ 7,00,000.

OR

- b. Write short notes on: (CO:1)

- a. Assessment Year
- b. Assessee
- c. Income
- d. PAN

Q3. (10 Marks)

- a. Aditya is employed in a consultancy firm on a monthly salary of ₹ 80,000. In addition to the salary, he received a bonus of 2 month's salary during the previous year. He has been also provided a rent-free unfurnished accommodation. The rent paid by employer is ₹ 6000 per month. He is provided a small car by the employer which he uses partly for the official purpose and partly for the personal purposes. All the expenses in respect of the car are paid by the employer. He is getting entertainment allowance @ ₹ 1000 per month. Find out his taxable income from salary for the Assessment Year 2024-25. (CO:2)

OR

- b. Calculate the agricultural income from the following information: (CO:1)

- a. Lease Rent received from land given to tenant for agriculture purpose ₹ 48,000
- b. Sale of Agriculture Produce ₹ 30,000
- c. Salary received as a partner from a tea manufacturing firm ₹ 36,000.



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- d. Payment of Government Tax on Agriculture land ₹ 6,000
- e. Expenses on Power, Irrigation and Farm Labour ₹ 10,000
- f. Purchase of seed ₹1,000
- g. Tractor Hire charges ₹ 2,500.

Q4. (10 Marks)

- a. Mr. X (non-government employee) works in Delhi and receives the following for FY 2024–25: (CO:2)

- Basic Pay: ₹70,000 p.m.
- Dearness Allowance (DA) (forming part of retirement benefits): ₹ 5,000 p.m.
- Commission: 1% of turnover (turnover achieved ₹50,00,000) = ₹25,000 (annual)
- HRA: ₹20,000 p.m.; Rent paid: ₹17,000 p.m.
- Leave Travel Allowance (LTA) received: ₹30,000; Eligible travel spend: ₹24,000
- Uniform allowance received: ₹12,000; Spent: ₹9,000
- Children Education Allowance (CEA): ₹ 500 p.m. per child for 2 children
- Hostel allowance: ₹ 750 p.m. per child for 2 children
- Meal vouchers: ₹100 per working day; assume 22 working days/month
- Diwali gift voucher: ₹8,000 (non-cash)

Calculate the total Income from Salary.

OR

- b. Discuss the different types of allowances along with examples provided under the head income from salary under the Income Tax Act 1961. (CO:2)

Q5. (10 Marks)

- a. Mr. B owns a house property let out in FY 2024–25. Details are: (CO:2)

- Municipal Value: ₹3,60,000
- Fair Rent: ₹3,20,000
- Standard Rent: ₹3,40,000
- Actual Rent received: ₹3,00,000
- Municipal Taxes paid: ₹30,000
- Interest on housing loan: ₹80,000

Compute the Income from House Property.

OR

- b. Determine the annual value of the house based on the following information: (CO:2)

Half of the house is self-occupied.

Half of the house is let out for ₹1500 per month.

Municipal value of the house is ₹3,00,000 on which tax is paid @20%