

D 131917

(Pages : 4)

Name.....

Reg. No.....

**THIRD SEMESTER M.Com. DEGREE [REGULAR/SUPPLEMENTARY]
EXAMINATION, NOVEMBER 2025**

(CBCSS)

Master of Commerce

MCM3C12—INCOME TAX LAW, PRACTICE AND TAX PLANNING—I

(2019 Admission onwards)

Time : Three Hours

Maximum : 30 Weightage

Answer should be written in English only.

Section A

*Answer any four questions.**Each question carries 2 weightage.*

1. What is meant by protective assessment ?
2. What is Best judgement assessment ?
3. What is meant by tax avoidance ?
4. What is meant by Return of loss ?
5. What is the significance of TDS ?
6. What is meant by rebate under Income tax law ?
7. An HUF earned Rs. 5,00,000 during the previous year and paid tax on its income, Mr. A, a co-parcener is an employee and earns a salary of Rs. 20,000 p.m. During the previous year Mr. A also received Rs. 1,00,000. from HUF. What will be the tax treatment on the above receipt ?

(4 × 2 = 8 weightage)

Section B

*Answer any four questions.**Each question carries 3 weightage.*

8. Write a note on Tax planning related to clubbing and aggregation of income.

Turn over

9. Compute Income Tax liability in following situations for Assessment Year 2024-25 given that in none of the cases assessee wants to opt for the regular tax regime i.e. computation is to be done under section 115BAC and the assessees are resident individuals. Given are the Total Incomes ;
 1. Mr. Ishank (30 years) : Rs. 7,00,000. 2. Ms. Shirin (29 years) : Rs. 7,27,000.

10. Nisha transferred the following assets on 02.06.2023, determine capital gain for the A.Y. 2024-25 assuming Brokerage paid on transfer @ 2 % :

| <i>Particulars</i> | <i>Cost</i> | <i>FMV (1.4.2001)</i> | <i>Sale value</i> |
|---|-------------|-----------------------|-------------------|
| Land acquired in 1976 | ... 25,000 | 1,00,000 | 30,00,000 |
| Goodwill of business [Business commenced on 1-05-1995] | ... Nil | 40,000 | 2,00,000 |
| Tenancy right | ... Nil | 30,000 | 3,00,000 |

11. W.D.V. of the block having two machines namely A and B as on 1.4.2023 is Rs. 6,00,000. Machine C was acquired on 12.11.2023 for Rs. 3,00,000 and put to use on the same date. Machine C is sold on 31.3.2024 for Rs. 4,00,000. Compute the depreciation allowable for the assessment year 2024-25.

12. Mr. A owns two houses. The expected rent of the house one is Rs. 65,000. This house was let out for Rs. 7,500 per month but the rent for the months of February and March, 2024 could not be realized. The expected rent of another house is Rs. 1,50,000. This house was let out for Rs. 12,000 per month but the rent for the last three months could not be realized. In the both cases, Mr. A fulfills the conditions of Rule 4. You are required to compute the Gross Annual Value of both the houses.

13. Arjun retired on 15-4-2023 from X Company Ltd. He was entitled to a pension of Rs. 20,000 p.m. At the time of retirement, he got 75 % of the pension commuted and received Rs. 4,50,000 as commuted pension. Compute the taxable portion of the commuted pension if : (a) He is also entitled to gratuity ; (b) He is not entitled to gratuity.

14. Mr. Y earns the following income during the previous year ended on 31st March, 2024. Determine the income liable to tax for the assessment year 2024-25 if Mr. Y is resident and not ordinary resident during the previous year ended on 31st March, 2024. (i) Honorarium received from Government of India (Travelling and other incidental expenses of Rs. 7,000 were incurred in this connection). Rs. 20,000 ; (ii) Profits earned from a business in Tamilnadu controlled from Pakistan Rs. 50,000 ; (iii) Profits earned from a business in U.K. controlled from Delhi Rs. 30,000 ; (iv) Profits earned from a business in U.S.A. controlled from Pakistan and amount deposited in a bank there Rs. 40,000 ; (v) Income from a house property in France, received in India ; Rs. 10,000. (vi) Past untaxed foreign income brought into India during the year : Rs. 25,000 ; (vii) Dividends from a German company credited to his account in Pakistan : Rs. 35,000 ; (viii) Agricultural income from Burma not remitted to India : Rs. 40,000 ; (ix) Pension for services rendered in India, but received in Pakistan : Rs. 30,000.

(4 × 3 = 12 weightage)

Section C

Answer any two questions.

Each question carries 5 weightage.

15. Explain the procedure of Filing of return of Income.

16. Which are the different types of exempted incomes ?

17. Rahul who is a resident in India, is a person with disability, he provides the following particulars of his income for the year ended 31.3.2024.

| | Rs. |
|--|------------|
| (a) Salary for working as a cable operator (per month) | ... 18,000 |
| (b) Interest on government securities (gross) | ... 45,000 |
| (c) Dividend from Indian Company | ... 5,000 |
| (d) Honorarium from school of orphanage for giving his service | ... 49,000 |

He has donated Rs. 20,000 to the school for orphanage which is approved as a charitable institution and contributed Rs. 2,000 to Prime Minister National Relief Fund, he has also paid Rs. 3,000 by credit card as premium of mediclaim policy, his father is also a person with disability and is dependent on him for medical treatment and rehabilitation. Rahul spends Rs. 8,000 during the year on him. Compute the Total Income for the Assessment Year 2024-25, assuming he has deposited Rs. 20,000 in public provident fund Account.

Turn over

18. Mr. Kundan Lal, a trader at Kolkata, submits the Profit and Loss as under, for FY 2023-24 :

Profit and Loss Account for Year Ended 31st March, 2024

| <i>Particulars</i> | INR | <i>Particulars</i> | INR |
|--|-----------------|--------------------|-----------------|
| To Opening Stock | ... 1,00,000 | By Sales | ... 1,25,00,000 |
| ” Purchases | ... 1,20,00,000 | ” Closing Stock | ... 2,00,000 |
| ” Gross Profit | ... 6,00,000 | | |
| Total | ... 1,27,00,000 | Total | ... 1,27,00,000 |
| ” Rent, Rates, Taxes | ... 1,08,000 | By Gross Profit | ... 6,00,000 |
| ” Salaries | ... 1,25,000 | ” Interest Income | ... 5,000 |
| ” Interest on loan | ... 25,000 | | |
| ” Depreciation | ... 2,25,000 | | |
| ” Printing and Stationery | ... 25,000 | | |
| ” Postage and Telegram | ... 1,750 | | |
| ” Loss on Sale of Shares (Short Term)... | 12,190 | | |
| ” General Expenses | ... 17,060 | | |
| ” Net Profit | ... 66,000 | | |
| Total | 6,05,000 | Total | 6,05,000 |

Additional Information : (a) Closing Stock and Opening Stock was under-valued by 10 % ; (b) Salary includes INR 20,000 paid to a relative which was considered unreasonable ; (c) The whole amount of Printing and Stationery was paid in Cash at one go ; (d) WDV of the Plant and Machinery on 1st April, 2023 was INR 12,00,000. Additions of INR 5,00,000 were made on 1st June 2023 and on 1st Oct 2023, Machinery was sold for INR 12,57,993 ; (e) Rent and Rates included GST Liability for March 24, of INR 27,000, duly paid within 7th April 2024 ; (f) A general expenses includes donation of INR 12,000 was made to a public charitable trust during the year. You are required to : Calculate the Profits / Gains from Business Profession.

(2 x 5 = 10 weightage)