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FIFTH SEMESTER (CUFYUGP) DEGREE EXAMINATION, NOVEMBER 2026

ACCOUNTING AND FINANCE / COMMERCE

COP5CJ301 /COM5CJ301- Income Tax Law & Accounts

2024 Admission onwards

Maximum Time :2 Hours	**Maximum Marks :70**

Section A

All Question can be answered. Each Question carries 3 marks (Ceiling : 24 Marks)

1	Define the term income.
2	What is meant by unabsorbed depreciation?
3	Who is eligible for gratuity?
4	What is standard rent?
5	Give two examples of tax free perquisites.
6	What is meant by block of assets?
7	What is agricultural income?
8	What is maximum marginal rate?
9	What is meant by commuted pension?
10	Describe the tax rate of individuals u/s 115 BAC (1A) for the A.Y 2026-27.

Section B

All Question can be answered. Each Question carries 6 marks (Ceiling : 36 Marks)

11	Briefly Explain the role of income tax authorities.
12	On the basis of the following information, determine the annual value of the house: 1. Half of the house is self-occupied; 2. Half of the house let-out for **₹.** 15,000 p.m.; 3. Municipal value of the house is **₹.** 3,00,000 on which tax is paid @ 20%.
13	Compute the residential status of the assessees in the following cases for the Assessment Year 2026-27: a) Mr. Roshin, is a citizen of India. He left for Nepal on 12th May, 2025 and could not return to India till the end of the Financial Year 2025-26.

	b) Mr.Iqbal, left for the Cyprus on 8th March, 2023 after having lived in India for 20 years. He returned to India on 20th August, 2025.
14	Mr. Kamal gets **₹.**6,80,000 as basic pay, **₹.** 48,000 as commission, **₹.** 20,000 as bonus, **₹.**12,000 as uniform allowance (60% utilised for the uniform), transport allowance **₹.**26,000. A rent free unfurnished flat is provided in a place where population is (a) more than 25 lakh, (b) more than 10 lakh but not exceeding 25 lakh, (c) not exceeding 10 lakh. Determine the taxable value of rent free flat.
15	List out the expenses which are expressed as disallowed.
16	Mr. Paramu is the owner of a house at Agra, particulars in respect of which for the year ended 31st March, 2026 are as below: (i) Actual rent received **₹.**9,000 (ii) Municipal Valuation **₹.**8,000 (iii) Total Municipal Tax **₹.**900 (iv) Municipal Tax paid by Mr. Paramu **₹.** 450 (v) Municipal Tax paid by the tenant **₹.** 450 (vi) Interest on Loan is taken for renewing the house **₹.**2000 (vii) Unrealised rent allowed in the Assessment Year 2025-26 recovered during the year **₹.**3,000 Compute Mr. Paramu's Income from House Property for the Assessment Year 2026-27.
17	Who is an assessee? What are the different types of assessees?
18	Mr., Kalpesh was an employee in a company. He took premature retirement from service on 1st November 2025 after completing 26 years of service. His average salary for last 10 months was **₹.**22,000 and he was getting DA. of **₹.** 2000 p.m. which was treated as salary for the purpose of retirement benefits. He had availed 9 months earned leave while in service on the basis of 30 days leave for every year. He was paid **₹.**3,00,000 as salary and **₹.**6,000 as D.A. in respect of earned leave due. Compute the amount exempt regarding encashment of earned leave for the Assessment Year 202-27.
	Section C
	Answer any ONE .Each Question carries 10 marks (1x10=10 Marks)
19	Mr. Rahman furnishes the following details, compute taxable income from Salary for the Assessment Year 2026-27:

	He is employed in a textile industry in Mumbai on a monthly salary of **₹.**60,000. In addition, he is entitled to 1% commission on sales achieved through him, which amounted to **₹.**10,00,000 for the previous year. He received the following allowances and amenities from the employer during the previous year: i. Dearness allowance of **₹.**10,000 p.m. which is granted under terms of employment and counted for retirement benefits. ii. Bonus **₹.** 32,000. iii. House rent allowance @ **₹.** 10,000 p.m. iv. Entertainment allowance at **₹.** 1,000 p.m. v. The employer paid **₹.** 1,000 income-tax on Perquisites. vi. The employer provided travel concession of **₹.** 3,500 for his travel to Shimla during leave. Assume that the leave travel concession fulfils the conditions prescribed by the Central Government. vii. He had been provided with the amenities of gas, electricity and water, the expenses of which amounting to ₹ 50,000 were paid by the employer. viii. He and his employer each contributed 14.5% of his salary to Recognized Provident Fund. The interest credited to this fund for the previous year at 9.5% rate of interest amounted to ₹ 9,800. ix. He spent ₹ 14,000 per month as rent of the house occupied by him in Mumbai.
20	Ms. Indira, a ready-made garment manufacturer in Chennai, gives the following particulars for the financial year 2025–26. Compute her income from business. Net profit as per Profit & Loss Account is **₹.**5,10,000 **after debiting** the following expenses:

	(₹.)
1. Contribution to an unrecognised provident fund	1,20,000
2. Consideration paid on 10.6.2025 for acquiring know-how	2,00,000
3. Provision for income tax	3,00,000
4. Provision for bad debts	75,000
5. Provision for discount	35,000
6. Holiday home expenses	25,000
7. Health insurance premium paid for employees of the concern	40,000
8. Penalty for violation of GST law	30,000
9. Interest on late payment of GST	10,000

	10. Interest on late payment of income tax	5,000
	11. Amount spent on acquisition of patent right	2,00,000
	12. Guest house expenses	20,000
	13. Amount paid to Madras University for scientific research not related to the business	60,000
	14. Advertisement in the souvenir of a political party	50,000
	15. On 30.3.2025, she purchased a car for business use at a cost of ₹12 lakh.	

Compute the income from business of Ms. Indira for the year 2025–26.

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