



LOYOLA COLLEGE (AUTONOMOUS) CHENNAI – 600 034

B.Com. DEGREE EXAMINATION – CORPORATE SECRETARYSHIP

FIFTH SEMESTER – APRIL 2025

UBC 5501 – INCOME TAX - I



Date: 24-04-2025

Dept. No.

Max. : 100 Marks

Time: 01:00 PM - 04:00 PM

SECTION A - K1 (CO1)

	Answer ALL the Questions	(10 x 1 = 10)
1. Definitions		
a)	Assessment Year.	
b)	Person under section 2(31).	
c)	Gratuity.	
d)	Let out House Property.	
e)	Capital Gain.	
2. Fill in the blanks		
a)	Assessment Year is the period of 12 month commencing on 1st day of _____.	
b)	A Company has _____ types of residential status.	
c)	Payment of Gratuity Act came into force in _____.	
d)	An individual who transfers house property without an adequate consideration to his owner spouse or to minor child is called as _____.	
e)	Any profit or gain that arises from the sale of a 'capital asset' is known as 'income from _____'.	

SECTION A - K2 (CO1)

	Answer ALL the Questions	(10 x 1 = 10)
3. Match the following		
a)	Income Tax Act	- Section 6.
b)	Residential Status	- Retirement Benefit.
c)	Pension	- Section 24.
d)	Home Loan	- Property.
e)	Capital Asset	- 1st April 1962.
4. True or False		
a)	According to Section 2(8), assessment includes reassessment.	
b)	A resident and ordinarily resident will be charged to tax in India on his global income.	
c)	The maximum amount of professional tax that can be levied by a state is Rs 5000.	
d)	Municipal taxes are to be deducted from the Gross Annual value to derive the Net annual value of the house property.	
e)	An asset held for a period of 36 months or less is a short-term capital asset.	

SECTION B - K3 (CO2)

	Answer any TWO of the following in 100 words each.	(2 x 10 = 20)
5.	Explain Canons of Taxation.	
6.	Determine the residential in the following cases: i. Mr. Raj, an Indian citizen, left for America on 25.05.2021 and did not come back until 31.03.2024. ii. Mr. Raman went to Malaysia on 22.05.2018 for the first time and he returned to India on 20.10.2023.	

	iii. Mr. Pandiyan, an Indian, went to Singapore for the first time on 10.08.2021 for employment purposes. He came back to India on 28.02.2024.																																				
7.	Examine the tax treatment of the following allowances received by Mr. X employed in a Pvt. Co. City compensatory allowance - Rs. 5,000 p.m Tiffin allowance - Rs. 300 p.m Servant allowance - Rs. 1,200 p.m Entertainment allowance - Rs. 9,000 p.m Uniform allowance - 600 (Fully spent) Tribal area allowance - Rs 300 p.m Marriage allowance - Rs. 300 p.m Overtime allowance - Rs. 150 p.m Helper allowance - 80 p.m (50% spent) Project allowance - Rs. 100 p.m																																				
8.	Mr. B purchased a house in Delhi in 1970 for Rs. 1,00,000. He added 2 rooms in the house at a cost of Rs. 30,000 in 1971. In June 2006 gifts the house to his son Mr. C. Mr. C made improvements in the house and added two more rooms at a cost of Rs. 50,000 in December 2008. Mr. B dies in 1989 and Mr. C sells the house on 1st July 2023 for Rs. 45,00,000. Find out the capital gain if the F.M.V of the house on 1st April 2001 is Rs. 2,00,000 and Mr. C opts for the a) Actual cost or b) The F.M.V. on 1st April 2001. CII for 2001-02: 100; 2006-07: 122; 2008-09: 137; 2023-24: 348.																																				
SECTION C – K4 (CO3)																																					
Answer any TWO of the following in 100 words each. (2 x 10 = 20)																																					
9.	Mr. Arumugham, an employee of ‘A’ company ltd. received Rs. 2,00,000 as gratuity (he is covered under the payment of gratuity act, 1972). He retired on January 31, 2024 after service of 29 years and 9 months. At the time of retirement, his monthly salary was Rs. 5,200. Compute his taxable gratuity for the assessment year 2024-2025.																																				
10.	Raghu occupied 3 houses for his residential purposes, particulars of which are as follows: <table><tr><td>Particulars</td><td>House A</td><td>House B</td><td>House C</td></tr><tr><td>Municipal valuation</td><td>60,000</td><td>20,000</td><td>15,000</td></tr><tr><td>Fair rent</td><td>85,000</td><td>22,000</td><td>21,000</td></tr><tr><td>Standard rent</td><td>65,000</td><td>-</td><td>-</td></tr><tr><td>Municipal taxes paid</td><td>10%</td><td>10%</td><td>10%</td></tr><tr><td>Date of commencement of construction</td><td>12-4-1988</td><td>10-4-1990</td><td>-</td></tr><tr><td>Date of completion</td><td>10-4-1991</td><td>14-4-1991</td><td>-</td></tr><tr><td>Fire insurance</td><td>600</td><td>300</td><td>-</td></tr><tr><td>Interest on capital borrowed from construction of house</td><td>20,000</td><td>15,000</td><td>-</td></tr></table> Determine the house property income for the assessment year 2024-25.	Particulars	House A	House B	House C	Municipal valuation	60,000	20,000	15,000	Fair rent	85,000	22,000	21,000	Standard rent	65,000	-	-	Municipal taxes paid	10%	10%	10%	Date of commencement of construction	12-4-1988	10-4-1990	-	Date of completion	10-4-1991	14-4-1991	-	Fire insurance	600	300	-	Interest on capital borrowed from construction of house	20,000	15,000	-
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11.	Mr. P is the owner of a house property in Rourkela. It has been let out for ₹90,000. The tax payable by the owner comes to ₹8,400 on municipal valuation of ₹84,000 but the landlord has taken an agreement from the tenant stating that the tenant would pay tax direct to the municipality. The landlord, however, bears the following expenses on tenant's amenities:																																				

	<table> <tr> <th>Particulars</th><th>₹</th></tr> <tr> <td>Water charges (as per agreement)</td><td>1,000</td></tr> <tr> <td>Lift Maintenance</td><td>1,000</td></tr> <tr> <td>Salary of Gardener</td><td>1,200</td></tr> <tr> <td>Lighting of Stairs</td><td>800</td></tr> <tr> <td colspan="2">The landlord claims the following deductions:</td></tr> <tr> <th>Particulars</th><th>₹</th></tr> <tr> <td>Repairs</td><td>30,000</td></tr> <tr> <td>Land Revenue</td><td>1,000</td></tr> <tr> <td>Collection Charges</td><td>2,000</td></tr> <tr> <td>Legal charges incurred on purchase of land on which house property is situated</td><td>24,000</td></tr> <tr> <td colspan="2">Compute the taxable income from house property.</td></tr> </table>	Particulars	₹	Water charges (as per agreement)	1,000	Lift Maintenance	1,000	Salary of Gardener	1,200	Lighting of Stairs	800	The landlord claims the following deductions:		Particulars	₹	Repairs	30,000	Land Revenue	1,000	Collection Charges	2,000	Legal charges incurred on purchase of land on which house property is situated	24,000	Compute the taxable income from house property.	
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12.	Mr. Ankit purchased a residential house during the previous year 2001-02 (C.I.I = 100) for ₹40 lakhs and sold it for ₹2 crores during the previous year 2023-24 (C.I.I = 348). He purchased two houses worth ₹26 lakhs each on February 21, 2024. Calculate taxable capital gain u/s 54 for the assessment year 2024-25.																								
SECTION D – K5 (CO4)																									
Answer any ONE of the following in 250 words (1 x 20 = 20)																									
13.	The following are the Incomes of Shree Rupak Mishra for the previous year 2023-24: (i) Dividend from Indian Company ₹ 10,000 (ii) Profit from business in Japan received in India ₹ 1,20,000 (iii) Profit from business in Pakistan deposited in a bank there. This business is controlled from India ₹ 2,00,000 (iv) Profit from business in Indore (Controlled by London Head Office) ₹ 1,10,000 (v) Interest received from a non-resident Mr. Rahim, on the loan provided to him for a business carried on in India ₹50,000 (vi) Income was earned in America and received there, but brought in India ₹80,000 (vii) Share of income from Indian partnership firm ₹1,50,000 (viii) Income from house property in India received in America (Computed) ₹62,000 (ix) Interest on debentures of an Indian company received in Dubai ₹25,000 (x) Capital Gain on sale of agricultural land situated at Ajmer ₹48,000 Compute his taxable income, if he is: (a) Resident (b) Not-ordinarily resident (c) Non-resident.																								
14.	From the following information, find out the income under the head income from house property for the assessment year 2024-25. Municipal valuation Rs. 1,90,000 Fair rent Rs. 1,85,000 Standard rent Rs. 1,70,000 Annual rent Rs. 2,16,000 Unrealised rent for the PR: 2022-23 Rs. 30,000 Unrealised rent of 2022-23 realized during the PY: 2023-24 Rs. 28,000 Interest on borrowed capital (per annum) Rs. 36,000																								

SECTION E – K6 (CO5)

Answer any ONE of the following in 250 words

(1 x 20 = 20)

15. Following are the particulars of 2 let out houses of Mr. Ashu Aggarwal. Determine Mr. Ashu's income from house property.

	House-A	House-B
Municipal Valuation	₹ 4,20,000	₹ 3,50,000
Fair Rental Value	₹ 3,60,000	₹ 3,80,000
Standard Rent	₹ 4,40,000	₹ 3,20,000
Actual Rent	₹ 4,80,000	₹ 4,20,000
Unrealized rent of current year	₹ 40,000	₹ 35,000
Vacancy	2 months	2 months
Municipal Taxes - Actually paid	₹ 12,000	₹ 35,000
Municipal Taxes - Due but not paid	₹ 30,000	₹ 10,000
Repairs	₹ 12,000	₹ 10,000
Insurance premium	₹ 8,000	₹ 6,000
Other expenses	-	₹ 60,000
Interest on money borrowed for the purchase of house	-	₹ 60,000

16. During the year ended 31st March, 2024 Mr. David sold the following assets:

Particulars	Sale Proceeds
(a) Shop purchased in 2005-06 (C.I.I. 117) for ₹ 42,000	₹ 1,80,000
(b) Machinery purchased in 2003-04 (C.I.I. 109) for ₹ 50,000 (W.D.V. on 1-4-2023 ₹ 35,000)	₹ 60,000
(c) Furniture purchased on 1-5-2023 for ₹ 1,000	₹ 600
(d) Machinery purchased on 1-5-2023 for ₹ 10,000	₹ 1,300
(e) Agricultural land in Agra purchased in 1998-99 for ₹ 40,000 [F.M.V. on 1-4-2001 (C.I.I. 100) being ₹ 72,000]	₹ 3,50,000
(f) One residential house purchased in 2007-08 (C.I.I. 129) costing ₹ 80,000	₹ 2,90,000

During the year he bought a new house for his residence for ₹ 8,00,000.

Work out the amount of Capital Gains to be included in the Gross Total Income and also compute his total income, if his other business income during the year was ₹ 1,00,000. Cost Inflation Index for 2023-24 is 348.
