



LOYOLA COLLEGE (AUTONOMOUS) CHENNAI – 600 034

U.G. DEGREE EXAMINATION – ALLIED

FOURTH SEMESTER – APRIL 2025

UCO 4402 – INTRODUCTION TO INCOME TAX



Date: 06-05-2025

Dept. No.

Max. : 100 Marks

Time: 09:00 AM - 12:00 PM

SECTION A - K1 (CO1)

	Answer ALL the Questions	(10 x 1 = 10)
1.	Answer the following	
a)	Who is a person as defined by Income Tax Act?	
b)	Mention any two casual incomes.	
c)	What is meant by statutory provident fund?	
d)	What are the two types of gains subject to capital gains tax?	
e)	Expand TDS.	
2.	Match the following	
a)	Bond washing transaction	(1) Capital Gain
b)	Indexation	(2) 30% of Net Annual Value
c)	Standard deduction	(3) Exempted income
d)	Agricultural income	(4) Five
e)	Heads of income	(5) Income from other sources

SECTION A - K2 (CO1)

	Answer ALL the Questions	(10 x 1 = 10)
3.	True or False	
a)	Income tax is a direct tax.	
b)	Expenses can be deducted from casual income.	
c)	Home loan principal repayment is not a tax saving investment under old tax regime.	
d)	The entertainment allowance is applicable as deduction u/s 16(ii) for all employees.	
e)	The calculation of capital gains are dependent on the type of assets and their holding period.	
4.	Fill in the blanks	
a)	Cash gift received from a non-relative is regarded as income. But exempt amount is _____ p.a	
b)	Expenditure incurred on refresher course attended by employee, is a tax-free _____	
c)	_____ is the rate of tax for income tax slab between the income of ₹ 2,50,000 to ₹ 5,00,000 for an individual aged 45 under old tax regime.	
d)	Hostel allowance is exempt up to _____ per month per child for two children.	
e)	Interest for pre-acquisition period is deductible in _____ instalments.	

SECTION B - K3 (CO2)

	Answer any TWO of the following.	(2 x 10 = 20)
5.	Explain the Canons of Taxation.	
6.	The Following are the particulars of Mr. Priyan, a Government employee who is employed in Chennai. a. Basic Salary ₹ 10,000 p.m b. Dearness allowance (60% of Basic salary) (enters retirement benefit) c. City compensatory allowance ₹2,500 p.m	

	<p>d. Entertainment allowance – ₹ 600 p.m</p> <p>e. During the year he paid professional tax ₹ 550</p> <p>f. Education allowances ₹ 150 p.m per child for two children</p> <p>Calculate Gross Salary Income.</p>
7.	<p>Mukesh purchased a property for ₹ 40,000 on 10th February, 1972. He got the first floor of property constructed in 1975-76 by spending ₹ 60,000. He died on 10th November, 2003. The property is transferred to Mukesh's wife by his Will. Mrs. Mukesh spends ₹ 53,200 during 2004-05 for renewals of the property. Mrs. Mukesh sold the property for ₹ 20,00,000 on 20th January, 2024 (brokerage paid ₹ 20,000). The fair market value of the property on 1st April 2001 was ₹ 1,50,000. Compute the taxable capital gain for the A.Y. 2024-25. The cost inflation index in 2001-02, 2004-05, 2022-23 and 2023-24 were 100, 113, 331 and 348 respectively. Computation of Capital Gain of Mr. Mukesh for the A.Y. 2024-25.</p>
8.	<p>Mr. Shankar Lal's income particulars are as under:</p> <p>a. He took a house on the rent of ₹ 1,000 per month and let it out again for ₹ 1,600 per month.</p> <p>b. Dividend from an Indian Company ₹ 4,000 (Gross).</p> <p>c. ₹ 500 from cricket gambling.</p> <p>d. Agricultural income from Sri Lanka ₹ 10,000.</p> <p>e. Salary as an M.L.A. ₹ 30,000.</p> <p>f. Dividend received ₹ 6,000 from Co-operative Society.</p> <p>g. Ground rent ₹ 5,000.</p> <p>h. Income from other undisclosed sources ₹ 3,000.</p> <p>Compute taxable income from other sources for the assessment year 2024-2025.</p>

SECTION C – K4 (CO3)

Answer any TWO of the following.

(2 x 10 = 20)

9.	Explain the provisions of Section 54 and 54F of Income Tax Act under the head Capital gains.			
10.	Mr.Abijithl is engaged in export business visits London frequently from 2014 – 15 onwards. Determine his residential status for the previous year 2023-24:			
	Previous Year	Stay in India	Previous Year	Stay in India
	2014-15	70	2019-20	201
	2015-16	100	2020-21	395
	2016-17	185	2021-22	150
	2017-18	200	2022-23	45
	2018-19	175	2023-24	100
11.	From the following particulars, compute the Gross Annual Value.			
	Particulars	House I (₹)	House II (₹)	
	Nature of Occupation	Self Occupied	Let Out	
	Municipal Rental Value	1,00,000 p.a	90,000 p.a	
	Fair Rental Value	1,60,000 p.a	50,000 p.a	
	Standard Rental Value	1,00,000 p.a	50,,000 p.a	
	Actual Rent	-	10,000 p.m.	
	Unrealised Rent	-	2 months	
	Vacancy Period	-	1 month	
	Repairs	2,000 p.a	3,000 p.a	
12.	Compute the total income and tax liability of Mr. Amit from the following particulars of his income for the A.Y. 202-25.			
	i) Salary (after Standard Deduction) ₹4,80,000			
	ii) Dividend from Indian company ₹ 10,000			

	iii) Share of profits from Partnership firm ₹ 12,000 iv) Dividend from a co-operative society ₹ 6,000 v) Rental income from house property ₹2,10,000
SECTION D – K5 (CO4)	
Answer any ONE of the following (1 x 20 = 20)	
13.	<p>The Following are the particulars of income of Mr.Ramesh, for the previous year 2023-24i.</p> <ul style="list-style-type: none"> i. Salary ₹ 45,000 p.m ii. Bonus equal to two months pay iii. Medical allowance – ₹ 750 p.m iv. House Rent Allowance ₹ 4,500 p.m (Rent paid ₹ 5,000 p.m @ Mumbai) v. Commission on turnover ₹ 10,000 vi. House keeper's salary reimbursed by the employer ₹ 5,000 viii. He is provided with free lunch in office. The cost per meals ₹ 30 ix. The employer has given him the use of small car which he uses for personal and official purpose. The employer meets the car expenses. x. Facility of laptop and computer was provided to Mr. Ramesh for both official and personal use. Cost of laptop ₹ 45,000 and computer ₹ 35,000 were acquired by the company on 01.12.2023. xi. Profession tax paid ₹ 2,500 of which ₹ 2,000 was paid by the employer. xii. His own contribution to RPF ₹ 20,000 per annum xiii. Employer's contribution to RPF 20% of his salary xiv Interest accrued in the RPF@13% p.a, ₹ 13,000 <p>Compute the income of Mr.Ramesh from salaries for the A.Y. 2024-2025.</p>
14.	<p>From the following particulars of Mr. Krish for the previous year ended 31st March, 2024, compute the income chargeable under the head —Income from Other Sources.</p> <ul style="list-style-type: none"> a. Director fees from the company ₹ 10,000 b. Interest on bank deposits ₹ 3,000 c. Income from undisclosed sources ₹ 12,000 d. Winning from lotteries (Net) ₹ 35,000 e. Royalty on a book written by him ₹ 9,000, He paid ₹ 1000 for typing the manuscript of books. f. Lecturers in Seminars ₹ 5,000 g. Interest on loan given to relative ₹ 7,000 h. Interest on debentures of a company (listed in a recognized stock exchange) net of taxes ₹ 5,400 i. Interest on Post office Saving Account ₹ 500 j. Interest on Govt. Securities ₹ 2,200 k. Interest on monthly Income scheme of Post Office ₹ 33,000 l. Income from agriculture in Sri Lanka ₹ 10,000.
SECTION E – K6 (CO5)	
Answer any ONE of the following (1 x 20 = 20)	
15.	<p>Compute the total income in the hands of an individual aged 35 years, being a resident and ordinarily resident, resident but not ordinarily resident, and non-resident for the A.Y. 2024-25.</p> <ul style="list-style-type: none"> a. Short term capital gain on sale of shares of an Indian company received in London ₹ 20,000 b. Profits on sale of plant at Germany 50% of profits are received in India ₹ 40,000 c. Income earned from Business in Germany which is controlled from Delhi ₹70,000 d. Income from house property in London deposited in an Indian Bank at London, brought to India (computed) ₹ 50,000 e. Interest on debentures in an Indian company received in London ₹ 12,000 f. Profits from a business in Bombay managed from London ₹ 26,000

	<p>g. Income from property situated in Pakistan received there ₹ 16,000</p> <p>h. Past foreign untaxed Income brought to India during the previous year ₹ 5,000</p> <p>i. Income from agricultural land in Nepal received there and then brought to India ₹ 18,000</p> <p>k. Gift received on the occasion of his wedding ₹ 20,000</p> <p>l. Interest on Savings Bank Deposit in State Bank of India ₹ 12,000</p> <p>m. Agricultural income from a land in Rajasthan ₹ 15,000</p>																																				
16.	<p>From the following particulars, compute taxable capital gain of Mr. Udhay for the assessment year 2024-25</p> <table><tr><th>Asset</th><th>Date of Purchase</th><th>Cost of acquisition (₹)</th><th>Date of sale</th><th>Sale price (₹)</th><th>Selling Expenses (₹)</th></tr><tr><td>House Property</td><td>1-12-2010</td><td>75,000</td><td>9-12-2023</td><td>20,00,000</td><td>25,000</td></tr><tr><td>Personal Jewellery</td><td>1-12-2002</td><td>50,000</td><td>11-1-2024</td><td>2,50,000</td><td>25,000</td></tr><tr><td>Personal car</td><td>1-11-2011</td><td>2,00,000</td><td>15-2-2024</td><td>1,25,000</td><td>5,000</td></tr><tr><td>Urban Agriculture land</td><td>1-12-1998</td><td>5,00,000</td><td>25-3-2024</td><td>15,00,000</td><td>30,000</td></tr><tr><td>Machinery</td><td>1-10-2010</td><td>8,00,000</td><td>17-5-2023</td><td>4,50,000</td><td>---</td></tr></table> <p>Fair Market value of Urban Argricultural land on 1-4-2001 was ₹ 6,00,000. Written down value of Machinery on 1-4-2023 is ₹ 4,00,000. CII for 2001-02: 100; 2002-03: 105; 2010-11: 167; 2011-12: 184; 2023-24: 348; 2024-25: 363</p>	Asset	Date of Purchase	Cost of acquisition (₹)	Date of sale	Sale price (₹)	Selling Expenses (₹)	House Property	1-12-2010	75,000	9-12-2023	20,00,000	25,000	Personal Jewellery	1-12-2002	50,000	11-1-2024	2,50,000	25,000	Personal car	1-11-2011	2,00,000	15-2-2024	1,25,000	5,000	Urban Agriculture land	1-12-1998	5,00,000	25-3-2024	15,00,000	30,000	Machinery	1-10-2010	8,00,000	17-5-2023	4,50,000	---
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