



NP – 362

44
V Semester B.Com. (TTM) Examination, January/February 2025

(NEP) (Freshers/Repeaters)

COMMERCE

Tourism and Travel Management

5.2 : Income Tax Law and Practice – I

Time : 2½ Hours

Max. Marks : 60

SECTION – A

Answer **any six** sub-questions. **Each** sub-question carries **two** marks. (6×2=12)

1. a) Define assessment year.
- b) Who is not ordinary resident ?
- c) Expand CBDT and PAN.
- d) What is Fair Rental Value ?
- e) What is the tax treatment of Gift from friend ?
- f) What is advance tax ?
- g) What is the provision u/s 80E ?
- h) What is Gratuity ?



SECTION – B

Answer **any three** questions. **Each** question carries **four** marks. (3×4=12)

2. Discuss whether the following are agricultural or non-agricultural income.
 - a) Income from growing and selling paddy.
 - b) Income from dairy farming.
 - c) Income from fishing.
 - d) Insurance money received for destruction of agricultural income.
3. What is the residential status of Mr. Salman Khan, a foreign citizen for the AY 2024-25 who was in India as follows :

Previous year	Presence in India
2023-24	182 days
2022-23	55 days
2021-22	28 days

P.T.O.



4. Amir Khan (Resident) is the owner of a house. The particulars of which are given below

Particulars	Amt. (₹)
Municipal value	1,50,000
Fair rent	1,70,000
Standard rent	1,30,000
Actual rent p.m.	15,000
Unrealised rent	18,000
House vacancy period	1 month
Municipal tax paid	15,000

5. Calculate the taxable amount of annual accretion to RPF if following information is provided by Mr. Akshay Kumar (Resident).
- Basic Salary @ ₹ 10,000 p.m.
 - Commission received by him on the basis of turnover of ₹ 5,00,000 at 10%.
 - Employer's contribution to RPF at 15% salary.
 - Interest credited on 30 June 2022 to RPF at 14% is ₹ 50,000.
6. The estimated taxable business income of Amithab Bachhan for the financial year 2023-24 is ₹ 6,00,000 and taxable LTCG on 30-06-2023 is ₹ 3,00,000. Calculate the advance tax installment assuming estimated TDS to be ₹ 25,000.

SECTION – C

Answer **any 3** questions. **Each** question carries **twelve** marks.

(3×12=36)

7. Mr. Rao furnishes the following particulars of his income earned during the previous year 2023-24.
- a) Profit from business in Chennai ₹ 50,000.
 - b) Income from agriculture in Ceylon ₹ 1,90,000.
 - c) Income from property in Maxico received there ₹ 2,00,000.
 - d) Interest on Singapore Development bonds ₹ 1,50,000 (1/3 received in India)
 - e) Income from business in Kuwait controlled from Mumbai ₹ 85,000 (35,000 received in India)
 - f) Dividend from domestic company ₹ 5,000
 - g) Profit on sale of building in Bangalore received in Nepal ₹ 50,000.
 - h) Income from agriculture in Punjab ₹ 1,00,000.
 - i) Profit on sale of plant at London ₹ 50,000 (50% is received in India)
 - j) Rent from house property (computed) in Nepal received there ₹ 20,000.
 - k) Profit from business in Mysore received in Mandya ₹ 25,000.
 - l) Dividends from UK based company received in UK ₹ 27,000.



Compute his gross total income for the A.Y. 2024-25. If he is

- Resident
- Not ordinary resident.
- Non-resident (Ignore alternative tax regime under Section 115 BAC)

8. Mr. Rohan, a physically handicapped person working in ABC Company Ltd. Bangalore has furnished the following details of his income for the year 2023-24.

Compute his income from salary for the A.Y. 24-25, (under Existing Tax Regime and Alternative Tax Regime).

- Basic salary ₹ 40,000 p.m.
 - Dearness allowance enters into retirement benefits ₹ 24,000 p.m.
 - Fixed percentage of commission on sales ₹ 15,000 p.m.
 - Bonus ₹ 65,000
 - HRA ₹ 12,500 p.m. (Rent paid ₹ 10,600 p.m.)
 - Transport allowance ₹ 4,000 p.m.
 - Reimbursement of medical expenses ₹ 2,500 for treatment taken in private hospital.
 - Management contribution and own contributions to RPF is 15% of salary.
 - Interest credited to RPF is ₹ 11,000 at 11% p.a.
 - Professional tax paid by employees is ₹ 400 p.m.
 - He is provided with more than 1.6 liter capacity car by the company for official use. All the expenses including salary of the driver are met by the company.
 - Children education allowance ₹ 600 p.m. per child for two children and children hostel allowance ₹ 1,000 p.m. for two children.
9. Mr. Shekhar is owner of three house in Bengaluru.

Particulars	House A	House B	House C
Fair rent	1,80,000	1,50,000	1,20,000
Municipal valuation	1,50,000	2,00,000	1,00,000
Let out (per month)	20,000	15,000	25,000
Use by tenant	Resident	Office	Residential
Construction started	30-05-2016	01-01-2015	02-03-2013
Repair expenses	10,000	—	40,000
Collection charges	20,000	5,000	—
Interest on loan			
a) For construction	1,00,000	—	—
b) For marriage of daughter	—	60,000	—
c) For repair	—	—	10,000
Construction completed	01-04-2019	01-06-2019	31-03-2014



Municipal tax is 10% of municipal valuation. Municipal tax of House A was paid by owner but Municipal tax of House B was not paid upto 31st March 2023. Municipal tax of House C was paid by the tenant. The House C has remained vacant for 2 months. Compute his income from House property for the assessment year 2024-25. (Ignore alternative Tax Regime under Section 115 BAC)

10. Mr. Kiran (resident) a company employee, who is also a director in the employer company, gets the following emoluments during P.Y. 2023-24

- Basic salary ₹ 6,000 per month (Increased to 8000 p.m. from 1-1-2024).
- DA ₹ 4,000 per month (50% of which is part of salary for computing all retirement benefits).
- Education allowance ₹ 400 per month per child for his 3 children.
- Medical allowance ₹ 600 per month. (Medical expenses ₹ 800 per month)
- Upto 31-10-2023 he was provided a furnished flat at Delhi (rent paid by employer ₹ 7,000 per month. Cost of furniture provided ₹ 15,000)

With effect from 1-11-2023, he was given HRA of ₹ 7,000 p.m. (Rent paid by Kiran being ₹ 5,000 per month), LTC facility ₹ 58,770 (travel by air at business class ₹ 24,000 and other expenses ₹ 6,000 but economy class air fair for covering the same distance ₹ 13,640). Income Tax penalty paid by the employer ₹ 2,000. He enjoys club facility (Expenditure of the company ₹ 2,000) on 1-9-2023, he was given transfer allowance ₹ 14,000 (amount spent in connection with transfer ₹ 10,200). He gets hostel allowance for his son of ₹ 300 p.m. but son does not stay in hostel. Compute his taxable salary for the A.Y. 2024-25 (Under existing tax regime and Alternative tax regime).

11. a) Mr. Sumanth (Resident) is employed at a salary of ₹ 6,200 p.m. He is also getting a DA of ₹ 2,800 p.m. He receives ₹ 5,000 as bonus. On 30/05/2023, he retired from his service. He had service of 29 years and 5 months. He received 2,00,000 as gratuity under Payment of Gratuity Act. Compute his taxable gratuity for the assessment year 2024-25.

b) Briefly explain the cannons of taxation.
