QP Code: P25C016

Reg. No : .....
Name : .....

ST MARY'S COLLEGE (AUTONOMOUS), THRISSUR-20

III SEMESTER (CBCSS - PG) DEGREE EXAMINATIONS, OCTOBER 2025
M. Com.
MCM3C12 : INCOME TAX LAW, PRACTICE & TAX PLANNING-I
2024 Admission Onwards

Time:3 Hours **Maximum Weightage:30**

Part A

*Short answer type questions: Answer **any four** questions. Weightage **2** for each question.*
(4x2 = 8 Weightage)

1. What are the totally exempted income?
2. What is clubbing of income?
3. State the situations in which accelerated assessment is made.
4. Brief out the powers of CBDT.
5. What is agricultural income?
6. Mr Varun gives you the following details regarding the sale of his residential house.
   House purchased in 2014-15 for Rs.15,00,000.
   Sold in October 2024 for Rs. 60,00,000.
   Purchased another residential house in November 2024 for Rs. 15,00,000.
   Invested in bonds issued by National Highway Authority of India, Rs. 10,00,000.
   Compute his taxable capital gains for the assessment year 2025-26.
7. The estimated Gross Total Income of Sri. Murali is Rs.11,20,000 which includes Rs.1,70,000 on account of LTCG earned on 16-09-2024. Compute the advance tax payable by Murali, assuming Rs.17,000 has been deducted at source during the financial year 2024-2025.

Part B

*Short essay-type questions: Answer **any four** questions. Weightage **3** for each question.*
(4x3 = 12 Weightage)

8. "B" owns a house property at Delhi. It was completed on 1-11-2022 and is used as follows.
   a. 25% of floor is used for his own business.
   b. 25% of the floor area is self-occupied
   c. 25 % of the floor area is let out for residential purpose at Rs.1,000 per month.

Turn Over

d. 25% of the floor area was let out for non-residential purposes at Rs.1,000 per month with effect from 1-4-24 to 28-02-25 and self occupied from 1-03-25 onwards.
Municipal taxes paid Rs.4,000 per annum.
Compute B's Income from House property.

9. Mr.S.Khalid is employed as a worker in a factory on a monthly salary of Rs.10,000. On 1st August 2024 his services were retrenched on account of closure of business. He served the employer for 10 years. He received a compensation of Rs.40,000 from his employer. On 1st December 2024, he got another appointment on a monthly salary of Rs.8,800. On 1st Feb 2025 in order to meet the expenses of his daughter's marriage he received an advance of 4 months salary and also took a loan of Rs.10,000 from his employer for the purpose. What is his income from salary for the assessment year 2025-26, assuming that the salary is due on the first of next month?

10. Sri. Swamy, gives you the following information. You are required to compute his income from other sources.
1. Dividend on equity shares issued on 31st March 2024 and received in April 2024 Rs.6,000.
2. Dividend on preference shares Rs.4,000.
3. Dividend from UTI Rs.8,000.
4. Dividend from foreign company Rs.50.000.
5. Dividend from a cooperative society Rs.20,000.
6. Income from mutual fund Rs.50,000.
7. Interest on bank deposits Rs.2,000.
8. Director's fees Rs.5,000.
9. Income.from royalty Rs.30,000.
10. Income from undisclosed sources Rs.40,000.

11. Sri. Ravikumar (70 years of age) gives the following information. Compute deductible amount under section 80C for the assessment year 2025-26.
1. Payment of LIC premium for his own life (policy value Rs. 60,000) Rs.13,000.
2. Payment of LIC premium on the life of wife Rs.5,000 (paid out of agricultural income).
3. Contribution to Unrecognized PF, Rs.24,000.
4. Contribution to PPF, Rs.15,000.
5. Interest accrued on NSC (VIII Issue) including 6th year's interest of Rs.1,500 - Rs.9,000.
6. Repayment of loan taken for construction of a residential flat from Housing development finance corporation (includes interest Rs.34,000) Rs.80,000.
7. Purchase of ICICI infrastructure bond Rs.20,000.
8 Deposited Rs.15,000 in Sukanya Samriddhi Scheme.

12. Write about the rates of depreciation applicable to different block of assets.

13. A HUF consist of three brothers and two major sons of the eldest brother A, who is the Karta of the family. Following are the particulars of the income of the family for the year ended 31st March 2025.
1.Income from business Rs.60,000 after adjusting Rs.7,000 paid and salary to A for managing the business.

Turn Over

2. The family owns a house whose rental value is Rs.7,000 per.annum. Municipal taxes paid during the year amounted to Rs.600. Ground rent paid was Rs.500. The house is let out for residential purposes at Rs.600 per month.
3. Interest from debentures of a limited company Rs.5,000 (gross)
4. Loss from speculation business Rs.5,000.
5. The Karta paid insurance premium :-
   (i) On his own life policy Rs.3,000.
   (ii) On joint life with his brother Rs.5,000 on a policy of Rs.40,000.
   Compute the total income of the family for the assessment year 2025-26. (optional tax regime).

14. Examine important features of assessment procedure.

Part C

*Essay-type questions: Answer **any two** questions. Weightage **5** for each question.*
(2x5 = 10 Weightage)

15. Discuss the scope and significance of computer application in tax management.

16. Explain the different types of income tax returns.

17. Shri. Swaroop is employed an Engine driver in Indian railways. He is getting Rs.7,500 p.m. as basic pay; Rs. 2,500 p.m. as dearness Pay and Rs.2,500 p.m. dearness allowance.
During 2024-25 he received the following allowance also.
1. Rs.16,500 as running allowance p.a.
2. Rs.200 p.m. per child as educational allowance for his two children.
3. One of his son is staying in a hostel on which Swaroop is spending Rs. 800 p.m. He is getting Rs.500 p.m. for his son as hostel allowance for meeting his son's expenditure.
4. Rs.250 p.m. as City Compensatory Allowance.
5. Rs. 400 p.m. as uniform allowance full spent for employment purposes.
6. Rs.1,250 p.m. as H.R.A. He pays Rs.1,500 p.m. as rent to house owner. He contributes 10% of his basic pay and dearness pay to SPF and the Indian railways contributes a similar amount.
Compute his taxable salary for the A.Y 2025-26 under optional tax regime.

18. From the following particulars relating to an assessee, compute his total income for assessment year 2025-26 under his different residential status.
1. Dividend from an Indian company, received in Taiwan Rs.14000.
2. Profits from a business in Chennai managed and controlled from UK.Rs. 40,000.
3. Income from agriculture in Pakistan, received in Pakistan, but remitted to India. Rs.40,000.
4. Rent received from a property in Sri Lanka received outside India Rs. 24,000.
5. Pension from an Indian employer received abroad.Rs.24,000.
6. Share of profit from a business in Ganada, but managed and controlled from India, Rs. 60,000, out of which Rs. 30.000 received in India.
7. Past profit earned brought to India, Rs.100,000.
8. Dividends from a company in Malaysia out of which 50% received in India Rs. 60,000.

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