



BRAINWARE UNIVERSITY

Term End Examination 2024-2025

Programme – B.Com.(AFB)-Hons]-2023

Course Name – Income Tax Law and Practices

Course Code - BBF30108

(Semester III)

Full Marks : 60

Time : 2:30 Hours

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

Group-A

(Multiple Choice Type Question)

1 x 15=15

1. Choose the correct alternative from the following :

(i) Define 'Assessment Year.'

- | | |
|-------------------------------------|--------------------------------------|
| a) Year in which income is earned | b) Year in which tax is collected |
| c) Year in which income is assessed | d) Year in which business is started |

(ii) Apply the definition of 'Previous Year' to determine the tax year for income earned between April 2023-March 2024.

- | | |
|------------------------------|----------------------------|
| a) Assessment Year 2022-2023 | b) Previous Year 2023-2024 |
| c) Assessment Year 2024-2025 | d) Previous Year 2024-2025 |

(iii) Choose the correct status for 'Calcutta University' under Income Tax Law.

- | | |
|--------------------------------|------------|
| a) Individual | b) Firm |
| c) Artificial Juridical Person | d) Company |

(iv) Articulate the conditions under which income from a non-resident's shipping business is assessed in the same year.

- | | |
|-------------------------------------|------------------------------------|
| a) If the business is ongoing | b) If the business has not started |
| c) If the business is discontinuing | d) If the business is expanding |

(v) Define the status represented by the fourth character 'P' in a PAN.

- | | |
|----------------|-------------------|
| a) Partnership | b) Proprietorship |
| c) Individual | d) Trust |

(vi) Recall the standard deduction allowed under Section 16 for FY 2023-24.

- | | |
|---------------|---------------|
| a) Rs. 25,000 | b) Rs. 30,000 |
| c) Rs. 40,000 | d) Rs. 50,000 |

(vii) Select the correct condition for claiming HRA exemption when the house is situated in a metro city.

- | | |
|------------------|------------------|
| a) 30% of salary | b) 40% of salary |
| c) 50% of salary | d) 60% of salary |

(viii) Show the correct exemption limit for leave encashment for non-government employees.

- a) Rs. 1,00,000 b) Rs. 2,50,000
c) Rs. 5,00,000 d) Rs. 10,00,000
- (ix) Illustrate the correct method for computing the value of rent-free accommodation in a metro city.
a) 10% of salary b) 15% of salary
c) 20% of salary d) 25% of salary
- (x) Write the basis of charge for salary received during the leave period following service in India.
a) Taxable if received in India b) Taxable if received outside India
c) Exempt if received outside India d) Exempt if received in the preceding year
- (xi) Recognize the deduction available for interest on borrowed capital.
a) Section 24(a) b) Section 24(b)
c) Section 22 d) Section 23
- (xii) Recognize the minimum alternate tax (MAT) rate applicable to domestic companies.
a) 0.1 b) 0.12
c) 0.15 d) 0.18
- (xiii) Calculate the total tax (including cess) for an individual with taxable income of Rs. 12,00,000 under the old regime for AY 2024-25.
a) Rs. 1,87,200 b) Rs. 2,10,000
c) Rs. 1,79,400 d) Rs. 2,62,500
- (xiv) Articulate the conditions under which interest under Section 234A is levied.
a) Late filing of return b) Non-payment of advance tax
c) Deferment of tax payment d) Incorrect return filing
- (xv) Choose the correct form for filing return under presumptive taxation for a business.
a) ITR-1 b) ITR-4
c) ITR-5 d) ITR-7

Group-B

(Short Answer Type Questions)

3 x 5=15

2. Opening WDV of Block=10,00,000 Asset acquired and put to use on 30-12-2023 = 4,00,000 (3)
Asset sold on 15-11-2023 =3,00,000 Rate of Depreciation is 15% Calculate the depreciation to be allowed.
3. Identify the conditions under which capital gain tax liability arises according to the Income Tax Act. (3)
4. Vishal came to India for the first time on July 24 2019 From July 24 2019 to December 25 (3)
2020 he was in India Again, he came to India on August 5 2023, he left India for employment purposes on November 25 2023 permanently. Determine his residential status for the assessment year 2024-25.
5. Give examples of perquisites which are exempt from tax. (3)
6. Explain Tax Deducted at Source. (3)

OR

Explain the applicability of ITR1, ITR2, ITR3 and ITR6. (3)

Group-C

(Long Answer Type Questions)

5 x 6=30

7. Calculate the gross annual value in the following cases for the A.Y. 2024-25: (5)

Particulars	H1 (Rs)	H2 (Rs)
Situated at	Chandigarh	Amritsar
Municipal value p.a.	60,000	60,000

Fair rent p.a.	70,000	70,000
Standard rent under the Rent Control Act p.a.	80,000	50,000
Actual rent p.m.:		
From April 1, 2023 to July 31, 2023	5,000	6,000
From October 1, 2023 to February, 2024	9,000	8,500
For the remaining period properties were vacant.		

8. Calculate the taxable Capital Gains of Mrs. Geeta for the Assessment Year, 2024-25 Cost of Jewellery (purchased in the Financial Year, 2005-06) - 1,82,000 Sale price of Jewellery sold in January 2024 - 17,50,000 Expenses on transfer - 17,000 Residential house purchased in March 2024 - 15,00,000 [CII: 2023-24 - 348, 2005-06 -117]. (5)
9. Explain the Tax treatment of rent free unfurnished accommodation for non government employee. (5)
10. Illustrate the valuation process of perquisites in respect of Motor Car. (5)
11. Mr. Anil has retired from his job on 31/3/2023. From 1/4/2023, he was entitled to a pension of Rs. 3,000 p.m. On 1/8/2023, he got 80% of his pension commuted and received Rs. 1,20,000. Compute taxable pension for the AY 2024-25 if he is non-Government employee (receiving gratuity, covered by the Payment of Gratuity Act). (5)
12. Evaluate the conditions under which capital gains on on transfer of a Long Term Capital Asset other than a House Property [Sec 54F]. (5)

OR

Estimate the taxable income under the head Income from other sources for Mrs. X, based on the following data: Private tuition fee received: ₹ 10,000 Winning from lottery: ₹ 2,000 Award from KBC (a TV show) [Gross]: ₹ 3,20,000 Pension from employer of deceased husband: ₹ 25,000 Interest on bank deposit: ₹ 25,000 Directors fee (Gross): ₹ 5,000 Remuneration for checking examination copy of employer's school: ₹ 10,000 Remuneration for checking examination copy of C.A: ₹ 10,000 Income tax refund: ₹ 5,000 Interest on income tax refund: ₹ 100 Composite rent (related expenditures ₹ 5,000): ₹ 10,000 Rent on sub-letting of house property (rent paid to original owner ₹ 12,000): ₹ 20,000 Income tax paid: ₹ 2,000 Payment made for personal expenses: ₹ 18,000 Payment made to LIC as premium: ₹ 2,000 (5)
