Program:	T.Y.B.Com.(M S)	**Semester:** V	**Program Code:** UGMS02
Course:	Taxation – I (Direct Tax)		**Course Code:** NUMS504

Duration: 2 Hours **Examination Pattern:** NEP – Autonomous – External **Max. Marks:** 60

Instructions:

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Draw neat diagrams wherever necessary.
4. CO (Course Outcome), KL (Knowledge Level).

Examination:

REGULAR

Q. I								CO's	KL's
	(a)	**Fill in the blanks with an appropriate answer from the alternatives given.**					[08]		
		I	Mr. A will be allowed a standard deduction from salary income under new tax regime maximum amounting to						
			a.	Rs. 40,000	**b.**	Rs. 50,000			
			c.	Rs. 75,000	**d.**	Rs. 1,00,000			
		II	Deduction under Section 80C for investments in specified instruments is available up to a maximum ceiling of						
			a.	Rs. 1,00,000	**b.**	Rs. 1,50,000			
			c.	Rs. 2,00,000	**d.**	Rs. 50,000			
		III	Mr. F receives a cash gift of ₹60,000 from his friend on his birthday. How much amount is taxable under the head "Income from Other Sources"?						
			a.	Nil	**b.**	Rs. 10,000		CO2 to CO5	L1, L2
			c.	Rs. 50,000	**d.**	Rs. 60,000			
		IV	Mr. K earned a long-term capital gain of ₹70,00,000 on the sale of land. He decides to invest the gains into NHAI bonds to save tax. What is the maximum investment allowed for deduction under Section 54EC?						
			a.	Rs. 70,00,000	**b.**	Rs. 50,00,000			
			c.	Rs. 20,00,000	**d.**	Nil			
		V	Mr. A has a gross total income of ₹6,00,000 and makes a Public Provident Fund (PPF) investment of ₹1,50,000 under Section 80C. What is his total taxable income?						
			a.	Rs. 6,00,000	**b.**	Rs. 4,50,000			
			c.	Rs. 7,50,000	**d.**	Rs. 5,00,000			
		VI	If the Net Annual Value (NAV) of a let-out property is ₹3,00,000, what is the standard deduction under Section 24?						
			a.	Rs. 1,00,000	**b.**	Rs. 90,000			
			c.	Rs. 60,000	**d.**	Rs. 30,000			

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		VII	Mr. B (aged 40) pays a health insurance premium of ₹28,000 for his family. How much deduction can he claim under Section 80D?						
			a.	Rs. 28,000	b.	Rs. 25,000			
			c.	Rs. 30,000	d.	Rs. 50,000			
		VIII	Under Section 80TTA, deduction for interest on savings bank account deposits for an individual (below 60 years) is capped at						
			a.	Rs. 5,000	b.	Rs. 10,000			
			c.	Rs. 50,000	d.	No deduction allowed			
	(b)	**State whether the following statements are true or false.**					[07]		
		I	Advance tax is paid only after the end of the financial year.						
		II	The burden of a direct tax can be easily shifted to another person.						
		III	Goods and Services Tax (GST) is a type of direct tax.						
		IV	The assessment year is the year before the previous year.					CO1	L1,
		V	An "assessee" is any person by whom any tax or sum of money is due under the Income Tax Act.					to	L2
		VI	Capital gains arises from the sale or transfer of capital assets like land or buildings.					CO5	
		VII	Income from lottery winnings falls under "Income from Other Sources".						
Q. 2							[15]	**CO's**	**KL's**
	a)	Mr. Sushil Kumar who was working as Commissioner of Income Tax, retired on 31st December 2025. Following are the particulars of his income relating to the year ending on 31st March, 2026. a) Salary received Rs. 9,000 per month. b) Entertainment Allowance received Rs. 500 p.m. He spent on entertainment Rs. 350 p.m. on an average. c) During the month of January 2026; he received gratuity amounting to Rs. 95,000. d) He received Rs. 70,000 the value of commuted Pension on 15th January 2026. e) He receives uncommuted Pension from Government with effect 1st January, 2026 which becomes due on every last day of the month at the rate of Rs. 3,200 p.m. f) He received arrears of salary Rs. 9,400 on 29th March, 2026. g) He incurred the expenses incidental to employment such as purchase of books, car expenses, etc. amounting to Rs. 15,280. **You are required to compute income from Salaries under default (new) tax regime for the assessment year 2026-27.**							CO3	L3, L4
		OR							
	b)	X submits the following information for the assessment year 2026-27.							
		Income from business				Rs. 46,000			
		Particulars		**House 1 (Rs.)**		**House 2 (Rs.)**			L3,
		Fair rent		75,000		85,000		CO3	L4

		Rent	78,000	78,000			
		Municipal valuation	76,000	75,000			
		Municipal taxes (due)	13,000	14,000			
		Repairs	3,500	4,700			
		Insurance	2,000	3,000			
		Land revenue (paid)	2,500	4,000			
		Ground rent (due)	1,600	6,000			
		Interest on capital borrowed by mortgaging House I (fund are used for construction of House 2)	14,000	-			
		Nature of occupation	Let out for residence	Let out for business			
		Determine the taxable income of X under default (new) tax regime for the assessment year 2026-27.					
Q.3.					**[15]**	**CO's**	**KL's**
	a)	**Miss Ruchita furnishes the following particulars for the previous year ending 31-3-2026 and requests you to compute the taxable capital gain for assessment year 2026-27.** a) She had a residential house purchased on 01-04-2001 for Rs. 5,00,000. b) In the year 2012-13 further construction and improvement cost was incurred Rs. 60,000. c) On 10-05-2025 the house was sold for Rs. 50,00,000. Expenditure in connection with the transfer Rs. 5,000. d) On 13-12-2025 she purchased new residential house for Rs. 25,00,000. e) She deposited Rs. 25,000 in eligible bonds issued by Rural Electrification Corporation Limited (RCEL) on 20-09-2025. f) Cost inflation index (CII) for financial year are as under:				**CO3**	**L3, L4**
		Financial Year / **CII** 2001-02 / 100 2012-13 / 200 2025-26 / 376					
		OR					
	b)	During the previous year 2025-26, X, a foreign citizen, stayed in India for just 69 days. **Determine his residential status for the assessment year 2026-27 on the basis of the following information: -** (i) During 2022-23, X was present in India for 366 days. (ii) During 2019-20 and 2018-19, X was in Japan for 359 and 348 days respectively and for the balance period in India. (iii) Mrs. X is 'resident' in India for the assessment year 2026-27.				**CO3**	**L3, L4**
Q.4.					**[15]**	**CO's**	**KL's**
	(a)	Mr. Shan: provides the following Profit and Loss account for the year ended March 31, 2026.					

Particulars	Rs.	Particulars	Rs.
To Salaries	1,30,000	By Gross profits	7,67,000
To Rent	30,000	By Dividend	9,000
To Printing and Stationery	25,000	By Maturity from LIC	5,000

						CO5 & CO6	**L3, L4**

			To Advertisement expenses	50,000	By Gift from mother	5,000			
			To Entertainment expenses	18,000	By Winning from crossword puzzles	12,000			
			To Motor car expenses	30,000	By Interest on National Saving Certificates	3,000			
			To Drawings	60,000					
			To Embezzlement by an employee	7,000					
			To Staff welfare expenses	70,000					
			To Interest	30,000					
			To Depreciation	35,000					
			To Income tax	16,000					
			To Net profit	3,00,000					
				8,01,000		8,01,000			
			1. Depreciation as per Income Tax Rules is ₹ 38,000. 2. Staff welfare expenses include ₹ 20,000 for his own medical treatment. 3. 50% of the rent is paid for his residential house. 4. Printing includes ₹ 5,000 paid for printing marriage cards for his daughter's marriage. 5. Interest ₹ 30,000 paid on loan from IDBI for higher education of his daughter. **Compute the net taxable income of Mr. Sham for the assessment year 2026-27 under old tax regime.**						
			OR						
	(b)		**Write short notes on the following: - (Any 3)**						
	i.		Basic conditions u/s 6(1) with exceptions					**CO2**	**L2**
	ii.		Salaries u/s 17(1)					**CO3**	**L3**
	iii.		Long term capital gain					**CO3**	**L3**
	iv.		Deductions under chapter VIA					**CO4**	**L4**
	v.		Income from other sources					**CO3**	**L4**

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