

Program/Sem: T.Y.B.Com- Sem - V Course: DIRECT TAX

Program Code: UGCOM01 Course Code: 23115

Duration: 3 Hours

06 NOV 2025

Max. Marks: 100

Instructions:

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Draw neat diagrams wherever necessary.

Q. 1 Attempt the following.

A. Select the most appropriate option & rewrite the full sentence. (Any 10)

[10]

- i). Employer paid fees for refresher management course is _____ perquisite.
(a) Taxable (b) Non-taxable
(c) Gifted (d) All of the above
- ii). Municipal Rateable Value is being ascertained by _____.
(a) Municipal Corporation (b) Gram panchayat
(c) All of the above (d) None of the above
- iii). Income from House Properties is taxable in the hands of _____.
(a) Owner (b) Tenant
(c) Broker (d) Agent
- iv). Rent received from open plot of land is taxable under _____.
(a) Income from other sources (b) Capital Gain
(c) Income from house property (d) Income from Salary
- v). Maximum amount of deduction for expenditure on preventive health check-up _____.
(a) ₹ 5,000 (b) ₹ 4,000
(c) ₹ 7,000 (d) ₹ 6,000
- vi). Mr. Devanampriya has started his business from 2nd September, 2024 and does not have any other source of income, his first previous year will start from _____.
(a) 1st April, 2023 (b) 2nd September, 2024
(c) Any of the above (d) None of the above
- vii). Deduction u/s 80C is not available to _____.
(a) Individual (b) HUF
(c) Company (d) All of these

viii). _____ is covered under section 80D of the Income Tax Act, 1961.

- | | |
|--|--|
| (a) Medical treatment of handicapped dependent | (b) Medical insurance premium |
| (c) Reimbursement of medical expenses | (d) Repayment of loan taken for higher education |

ix). Income Tax Act extends to _____

- | | |
|-----------------------------|---|
| (a) whole of India | (b) whole of Maharashtra |
| (c) Maharashtra and Gujarat | (d) whole of India except Jammu and Kashmir |

x). Remuneration received by a partner from partnership firm is taxable under _____

- | | |
|--------------------------------|---|
| (a) Income from House Property | (b) Income from Other Sources |
| (c) Capital Gain | (d) Income from Business and Profession |

xi). Previous year means the _____ immediately preceding the assessment year.

- | | |
|--------------------|-------------------|
| (a) Financial year | (b) Calendar year |
| (c) Leap year | (d) Academic year |

xii). If the house property is let out with fixed assets, will be chargeable under head. _____

- | | |
|--------------------------------|-------------------------------|
| (a) Income from House Property | (b) Income from Other Sources |
| (c) Capital Gain | (d) Income from Business |

B. State whether the following statements are True or False. (Any 10)

[10]

- i). A person may not have assessable income but may still be an assessee.
- ii). Sale of agricultural land is exempt from capital gains tax provided the land is situated in any rural area in India.
- iii). Body of individual should consist of individual only.
- iv). Income from subletting of house property is taxable under the head Income from Other sources
- v). Capital gain arises on transfer of capital asset
- vi). Uncommuted pension is taxable
- vii). Salary received by the members of parliament is exempted from tax
- viii). Deduction under section 80C is allowed to the extent of 1,40,000.
- ix). Casual income received by the assessee is fully exempt.
- x). Conversion of personal effects into stock-trade shall be subject to capital gain
- xi). Profit in lieu of salary is taxable under the head "Income from other source
- xii). Under Section 80CCC deduction is available to HUF.

Q. 2 Attempt either (A and B) or (C and D).

- A. Mr. Mahesh Patil works with M/s Kohinoor Enterprises as a sales manager. He gives you the following information for the year ended 31st March 2025. [10]

Particulars

1. Net salary per month ₹ 25,000
 2. Professional tax deducted at source ₹200 per month
 3. Conveyance allowance received (Amount spent ₹15,000) ₹ 24,000
- Other Information:
4. Royalty received ₹50,000
 5. Interest on saving bank account with Bank of Maharashtra ₹15,000
 6. He paid towards premium of life insurance policy of his son ₹ 30,000
- Compute his taxable income for the Assessment year 2025-26

- B. Mr. Ranjit Parab is a physically disabled person (55% disability). He has provided following particulars of his income for the previous year ended 31st March 2025. You are required to compute the net taxable income for Assessment year 2025-26 [10]

Particulars of Owned House	House 1 (Let Out)	House 2 (Self-occupied)
1. Fair Rent	2,45,000	2,38,000
2. Municipal Valuation	2,25,000	2,35,000
3. Rent Received	300,000	Nil
4. Municipal Tax Paid by Owner	30,000	20,000
5. Interest on Housing Loan taken for Construction of House (Loan taken on 1-4-2021)	35,000	38,000
Other Information:		
6. Interest Accrued on NSCS		1,00,000

OR

- C. Mrs. Anagha is a lecturer in MIT College, Mumbai. She furnishes you the following details: [10]
 Basic monthly salary ₹60,000
 Dearness allowance ₹24,000 per month
 House rent allowance ₹10,500 p.m. (of which ₹8,000 p.m. is exempt)
 Allowance for looking after the evening shift of the college ₹15,000 p.m.
 Examinership fees from University of Mumbai ₹2,250 and from Baroda University ₹1,250.
 Expenditure on books for her employment ₹3,750.
 Professional tax deducted at source ₹2,500.
 Expenditure on attending a seminar at Goa ₹ 1,750 was reimbursed by college.
 You are required to compute income from salaries of Ms Anagha for assessment year 2025-26
- D. Mr. Angad has occupied two houses for his own residential purposes, particulars of which are as follows: [10]

Particulars	House 1	House II (2)
Standard Rent	9,90,000 p.a.	N.A.
Municipal Valuation	11,00,500 p.a.	3,00,000 p.a.
Fair Rent	10,50,000 p.a.	3,05,000 p.a.
Actual Rent	75,000 per month	Nil
Municipal Taxes paid	10,200 pa	13,600 p.a.
Repairs	20,000 p.a.	14,200 p.a.
Interest Paid on Loan taken against houses to meet his personal needs	72,200 p.a.	53,000 pa

Compute the income from house property for Angad, for the assessment year 2025-26. House I was let out for 10 months while House II was self-occupied.

Q. 3 Attempt either (A) or (B).

- A. Following is the Profit and Loss Account of "M/s Fashionable Art" owned by Mrs. Urvashi Pandit, for the year ended 31st March, 2025.

[20]

Profit and Loss Account For the Year Ended 31st March, 2025

Particulars	Amount	Particulars	Amount
To Salaries	3,60,000	By Gross Profit	10,42,800
To Telephone Expenses	12,650	By Saving Bank Interest	13,900
To Office Expenses	42,000	By Interest on Time Deposit	40,000
To Profession Tax	2,500	By Dividend from Indian Co.	10,000
To Staff Incentives	48,800		
To Printing and Stationery	4,500		
To Depreciation	12,000		
To Laptop Purchased	58,000		
To Advertisement	52,000		
To Interest on Personal Loan	22,000		
To Custom Duty Paid	45,000		
To Net Profit	4,47,250		
Total	11,06,700	Total	11,06,700

Additional Information:

1. Depreciation as per Income Tax Rules is 10,000.
 2. Advertisement includes 15,000 for advertisement in souvenir of a political party.
 3. She paid 25,000 towards Pension Fund of LIC.
 4. She invested 80,000 in ULIP Plan.
 5. Salary include ₹60,000 (₹ 5,000 per month) paid to her son Mr. Umesh Pandit who is B.Com. Graduate and write the accounts for her business.
- Compute the Net Taxable Income of Mrs. Urvashi Pandit's for the assessment year 2025-26.

OR

- B. Following is the Profit and Loss Account of "M/s Quality House" owned by Mr. Divakar Raorane, for the year ended 31st March, 2025.

[20]

Profit and Loss Account For the Year Ended 31st March, 2025

Particulars	Amount	Particulars	Amount
To Salaries	3,10,000	By Gross Profit	9,64,800
To Electricity Expenses	9,500	By Rent Received from Let-out House Property	2,87,000
To Municipal tax	10,000	By Unrealised Rent recovered for F.Y. 2023-24	10,200
To Professional Tax	2,500		
To Income Tax	12,400		
To Conveyance Expenses	45,200		
To Depreciation	10,500		
To Repairs and Maintenance	25,500		
To Professional Fees Paid	12,000		
To Interest on Housing Loan	50,000		
To Furniture Purchase	82,000		
To To Net Profit	6,92,400		
Total	12.62,000	Total	12.62,000

Additional Information:

1. Municipal valuation of House Property is 2,89,000.
 2. Repairs and maintenance include ₹ 15,000 for repairs for house property
 3. He invested 60,000 in Equity Linked Saving Scheme (ELSS) for himself.
 4. He paid Medical Insurance premium of ₹ 12,000/- cheque for himself and spouse
- Compute the Net Taxable Income of Mr. Divakar Raorane for the assessment year 2025-26.

Q. 4 Attempt either (A and B) or (C and D).

- A. Mr. Rahul who is born and brought up in India and an Indian citizen, went for further studies to U.S.A. on 1st March, 2021 and came back to India on 1st October, 2024 and since then he is in India. Determine his residential status for the assessment year 2025-26 giving explanation for your answer [10]

- B. Mr. Nilesh provides the following particulars of assets transferred by him during the previous year ended 31st March, 2025. You are required to compute his Income from Capital Gains chargeable to tax for Assessment year 2025-26. [10]
A residential house in Jaipur was purchased on 24 December, 1996 at a cost of ₹ 12,00,000. Fair market value of the residential house on 1st April, 2001 was 20,00,000.
The cost of improvement incurred by him was as follows:

Financial Year	Amount
1998-1999	₹2,50,000
2006-2007	₹3,66,000
2010-2011	₹3,75,750
2013-2014	₹4,40,000

He sold the above house on 15th May, 2024 for 1,80,00,000. He incurred transfer expenses of 2,00,000 on the sale transaction.

He purchased a new residential house in Udaipur for ₹ 43,00,000 on 25th March, 2025.

He purchased eligible bonds issued by Rural Electrification Corporation (REC) for 15,00,000 on 26th June, 2024.

Cost Inflation Index are as follows:

Financial Year	Cost Inflation Index
2001-2002	100
2006-2007	122
2010-2011	167
2013-2014	220
2024-2025	363

OR

- C. Ms. Ruchita furnishes the following particulars for the previous year ending 31-3-2025 and requests you to compute the taxable capital gain for assessment year 2025-26. [10]

(a) She had a residential house purchased on 1-4-2000 for ₹ 4,00,000. (FMV as on 1-4-2001 is ₹5,00,000)

(b) In the year 2012-13 further construction and improvement cost was incurred 60,000.

(c) On 10-5-2024 the house was sold for 1,50,00,000.

Expenditure in connection with the transfer ₹ 5,000.

(d) On 13-12-2024 she purchased new residential house for ₹80,00,000.

(e) She deposited 55,00,000 in eligible bonds issued by Rural Electrification Corporation Limited (RCEL) on 20-9-2024.

(f) Cost Inflation Index (CII) for financial year are as under:

Financial Year	CII
2001-02	100
2012-13	200
2024-2	363

- D. Mr. Surendra has earned the following income during the previous year ended on 31st March, 2025.

[10]

Particulars	Amount
1. Rent from House in Pune, received in Japan	6,00,000
2. Income from business in Spain, being controlled from India	4,00,000
3. Salary earned and received in Bangladesh	3,00,000
4. Professional fees received in India	2,00,000
5. Interest received from State Bank of India, in Nagpur	1,00,000
6. Past untaxed profit earned outside India, brought to India	1,50,000
7. Agriculture income earned in India received in Sri Lanka	1,00,000
8. Dividend from an American company received in Rome	1,50,000

Compute his total income for the assessment year 2025-26 assuming as follows:

- (a) He is Resident and Ordinarily Resident
(b) He is Resident but not Ordinarily Resident.

Q. 5 Attempt either (A and B) or (C).

- A. What are the deductions under Section 80TTA and 80DD of the Income Tax Act?

[10]

- B. What is income from salary and what are its components ?

[10]

OR

- C. Write Short Notes: (Attempt Any four)

[20]

- (a) Income from Other Sources with examples
(b) Deemed to be Let Out Property
(c) 80DD
(d) Exemption under Gratuity
(e) Conditions for Resident and Ordinary Resident
(f) Heads of Income

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