

Program/Sem: M.Com Part I – Sem - I Course: Direct and Indirect Taxation
 Program Code: 2120361 Course Code: 59321

04 NOV 2025

Duration: 2 Hours

Max. Marks: 50

Instructions:

1. All questions are compulsory.
2. Figures to the right indicate full marks.

Q.1. Attempt either (A) or (B).

- (A) Mr. Tarun is a citizen of Ireland. He came to India for the first time on 1st April, 2020 and started business in India. He went back to Ireland on 01st May 2024, He again came back to India on 22nd January, 2025. Determine his Residential Status for the assessment year 2025-26. [12]

OR

- (B) From the following income of Mr. Lobo for the previous year 2024-25. [12]
 Compute gross total income for the assessment year 2025-26, if he is:-
 a) Resident & Ordinary Resident
 b) Resident But not Ordinarily Resident
 c) Non Resident

Particulars	₹
Income from Agriculture earned in India received in Sri Lanka	1,00,000
Income from business in UK, being controlled from India	4,00,000
Salary earned and received in Bangladesh	3,00,000
Interest credited in State Bank of India, in Nagpur	1,00,000
Dividend from an American Company received in Mumbai	1,00,000
Rent from house in Pune received in Japan	600,000
Professional fees received in India	200,000
Past untaxed profits earned outside India, brought to India	150,000

Q.2. Attempt either (A) or (B).

- A. Mr. Shastry works with M/s XYZ Traders. He gives you the following information for the year ended 31st March, 2025. (14)

	₹
Basic Salary	8,00,000 per annum

Dearness Allowance	25% of Basic Salary
Commission Received	1,00,000
Bonus	75,000
Advance Salary Received	87,500
House rent allowance (Exempt u/s 10(13A) ₹25,000	85,000 per annum
Entertainment allowance received	75,000 per annum
Medical Allowance	44,000
Profession tax deducted from salary	2,500 per annum
Other Information:	
Lottery price received	55,000
Interest on Term Deposit with Bank	66,000
Received maturity proceeds of Life Insurance Policy	85,000
Interest on Income Tax Refund	10,000
Gift from Brother	70,000
Dividend from Mutual Fund	22,000
He paid contribution to LIC Pension Fund	17,500
Expenses incurred on maintenance of his dependent son, who is suffering from severe physical disability to the extent of 90%	1,00,000

Compute his taxable income for the assessment year 2025-26.

OR

- B** Mr. Parag Dabke purchased a house property on 20th June 1998 for ₹19,50,000. He made the following additions/alterations to the house property. [14]

Cost of construction of 1st floor in the financial year 2011-12	₹10,00,000
Cost of construction of 2nd floor in the financial year 2017-18	₹4,50,000

He sold the property on 21st June, 2024 for ₹4,85,50,000 paying brokerage of ₹2,00,000.

He invested ₹1,55,00,000 in a new residential property on 18-3-2025.

He invested ₹65,00,000 in Bonds of Power Finance Corporation Limited (eligible) on 30th July 2024.

The fair market value of the property on 1-4-2001 was ₹25,75,000.

Relevant Cost Inflation Indices are as follows:

Previous Year	Cost Inflation Index
2001-02	100

2011-12	184
2017-18	272
2024-25	363

Compute his Capital Gains for the assessment year 2025-26.

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

- A. Mr. Karan (55 years old) furnishes the following particulars in respect of the following payments: (12)

Particulars	₹
1. Premium paid for insuring the health of:	
Self	11,000
Spouse	7,000
Dependent son	4,000
Mother	18,000
2. Paid for Preventive health check-up of:	
Himself	1,500
Spouse	1,500
Mother	4,500
3. Incurred medical expenditure of ₹30,000 for his mother, aged 81 years and ₹40,000 for his father, aged 86 years. Both mother and father are resident in India	

Compute the deduction available to Mr. Karan under section 80D for the assessment year 2025-26.

OR

- B. Ms. Sayali Raje, a resident Indian, is suffering from 62% blindness: She submits the following particulars to you for the year ending 31st March, 2025 (12)

Particulars	₹
Interest on Loan for Higher education	24,000
Interest on Bank Fixed Deposits	58,000
Long term capital gain	2,000
Income from Government Securities	18,000
Salary (Computed as per Income Tax Act. 1961)	44,000

Compute her taxable income for the Assessment Year 2025-26.

Q.4.

Attempt either (A) or (B).

- A. Mr. Rahul is physically handicapped (82% disability). He furnished the following information for the year ended 31-3-2025.

(12)

Profit and Loss Account for the year ended 31-3-2025

Particulars	₹	Particulars	₹
To Postage and Telegram	24,000	By Gross Profit b/d	12,74,000
To Salaries	2,00,000	By Saving Bank Interest	12,000
To Gift to Son	12,000	By Interest on Government Securities	20,000
To Advertisement	15,000	By Dividend from Indian Company	25,000
To Wealth Tax Paid	17,000	By Income Tax Refund	8,000
To Electricity Charges	30,000		
To Interest on Capital	25,000		
To Depreciation	45,000		
To Provision for Doubtful Debts	16,000		
To Sundry Expenses	5,000		
To Net Profit c/d	9,50,000		
	13,39,000		13,39,000

Other Information:

1. Depreciation allowed as per Income Tax Rules is ₹50,000.
2. Provision for doubtful debts include bad debts written off to the extent of ₹2,000. You are required to compute the total taxable income and tax of Mr. Rahul for the assessment year 2025-26.

(OR)

- B. Short Notes (Attempt any 3)

(12)

1. Definition of Assessee and Assessment
2. Pre construction period interest
3. Deduction under section 80DD
4. Taxability of Gift
5. Gross Total Income and Net Total Income