Reg No.. Name.. **26U616-S**

B.COM DEGREE END SEMESTER (SPECIAL) EXAMINATION – MAY 2026

SEMESTER – 6: (OPTIONAL COURSE FOR FINANCE & TAXATION)

COURSE: 19U6OPCFT4 – INCOME TAX ASSESSMENT AND PROCEDURE

(For Supplementary (Special) 2023 Admission)

Time: Three Hours Max. Marks: 75

SECTION - A

Answer all questions. Each question carries 2 marks.

1. What do you mean by gross up of interest received on securities?
2. What is the difference between intra-head and inter head set off?
3. What is meant by cross transfer?
4. Explain the provisions of Section 80E.
5. What is provisions of family pensions in taxation?
6. Write a short note on GAAR.
7. What is meant by ITR-U?
8. What is rectification of mistake?
9. What is belated return?
10. What is Advance Payment of Tax?

(2 x 10 = 20)

SECTION - B

Answer any five questions. Each question carries 5 marks.

11. Mr. Mukunda furnishes the following particulars of his income for the Previous Year 2024–25.

Compute his Total Income for the Assessment Year 2025–26.

Mr. Mukunda purchases diamonds for ₹8,00,000 (Fair Market Value: ₹8,50,000). He further purchases an artwork for ₹9,00,000 (Fair Market Value: ₹9,50,000).

Sl. No.	Particulars	Amount (₹)
(i)	Dividend on equity shares (Gross)	600
(ii)	Dividend on preference shares (Gross)	5,000
(iii)	Income from letting on hire of building and machinery (Composite lease)	17,000
(iv)	Interest on bank deposits	2,500

(v)	Director's sitting fees	1,200
(vi)	Ground rent	600
(vii)	Income from undisclosed sources	10,000
(viii)	Income from lotteries	10,000
(ix)	Mr. Mukunda owned a land at Chennai which was acquired by the Government in the year 2015–16. Along with compensation, **interest of ₹1,40,000** for delayed payment of compensation is received during the Previous Year 2024–25.	

The following deductions are claimed by him:

a) Collection charges of dividend ₹20.

b) Allowable depreciation on buildings and machinery ₹4,000.

c) Insurance on building and machinery ₹100.

12. Master Ajay (Age 16) received the following incomes during 2024-25

Particulars	Amount (₹)
Interest on bank deposit	75,000
Interest on Govt. Securities	80,000
Interest on Debentures	40,000
Income by acting in a film	1,00,000
Income by a singing concert held by him	50,000
His father's total income	1,09,000
His mother's total income	1,09,100

Describe about the person in whose hands the above incomes shall be taxable and the amount of income to be taxed.

13. From the following particulars compute the total income of Mr. David for the Assessment Year 2024-25.

Loss from house property	₹ 2,60,000
Short-term capital gain on sale of shares	₹ 2,40,000
Long term capital loss on sale of bonds	**₹ -85,000**
Other sources - Interest on Govt. Securities	₹ 10,000

The assessee has unabsorbed depreciation of ₹25,000 being brought forward from 2022-23. Assessee had closed the business, and all the assets have been disposed of.

14. Mr. Veera Raghavan is employed in Delhi. He submits the following particulars of his income and payments for the Previous Year 2024–25. Compute his Total Income and Tax Liability for the Assessment Year 2025–26.

Income / Receipts	**Amount (₹)**	**Payments / Deductions:**	**Amount (₹)**
Basic Salary	1,40,000	Contribution to General Provident Fund and Life Insurance Premium	17,000
Dearness Allowance (enters into pay for service benefits)	20,000	Repayment of Provident Fund loan	12,000
House Rent Allowance	12,000	Refund of house building loan	12,000
City Compensatory Allowance	1,200	Rent actually paid in Delhi	24,000
Medical Allowance	4,800	Investment in SBI Magnum Tax Saving Equity Scheme (u/s 80C)	10,000
Examinership fee received from another institution	5,000	Deposits under National Savings Scheme, 1992	40,000
Interest from bank	14,440	LIC Sum Assured: ₹1,70,000	
Interest on Government Securities	15,000		
Birthday gift received from spouse	6,00,000		

Additional Information:

- School fees of his daughter paid during the year: ₹15,000 (fully tuition fee)
- College fees of his two sons: ₹15,000 each (₹2,000 per student relates to development fees)

Compute: **Total Income** and **Tax Liability** for the **Assessment Year 2025–26**

15. Mr. Arvind Nair has a Gross Total Income of ₹11,20,000 (including ₹30,000 Long-Term Capital Gains). He is eligible for a deduction of ₹30,000 towards medical insurance premium paid under Section 80D.

During the Previous Year 2024–25, he made the following donations:

1. Contribution to District Literacy Mission – ₹8,000
2. National Fund for Control of Drug Abuse – ₹20,000
3. Approved institution for promoting family welfare – ₹12,000
4. Donation to an approved charitable trust – ₹2,50,000
5. Construction of two small houses for economically weaker neighbours costing ₹7,00,000
6. Donation of food items worth ₹6,000 to an orphanage
7. Contribution to a reputed sports club – ₹30,000
8. Donation to a political party – ₹50,000

Compute the Total Income of Mr. Arvind Nair for the Assessment Year 2025–26, clearly showing the computation of deduction under Section 80G.

16. Explain the concept of **Assessment under the Income Tax Act**. Describe the different types of assessments with suitable examples.
17. Explain the steps involved in computing Total Income and Tax Liability of an individual assessee under the Income Tax Act.

(5 x 5 = 25)

SECTION - C

Answer any three questions. Each question carries 10 marks.

18. Explain in detail the hierarchy of income tax authorities and their powers.
19. From the following information, compute the Total Income of Mr. Suresh for the Assessment Year 2025–26.

Particulars	**Amount (₹)**
Salary for 12 months	6,20,000
Interest on listed securities (gross)	4,000
Interest on Government securities	6,000
Interest paid on loan taken to purchase Government securities	1,500
Long-term Capital Gains	80,000
Income from House Property (computed)	40,000
Short-term Capital Loss	15,000
Dividend from an Indian Company	5,000

Income from Mutual Fund (Gross)	9,000
Agricultural income	25,000
Brought forward agricultural loss	30,000

Payments or investments are made as shown below:

Particulars	Amount (₹)
Life insurance premium paid ₹15,000 on a policy (Sum assured ₹75,000, policy taken before 1-4-2012)	—
Contribution to Public Provident Fund (PPF)	40,000
Contribution to Recognised Provident Fund	5,000
Donation to Prime Minister's National Relief Fund	10,000

Compute the **Total Income of Mr. Suresh for the Assessment Year 2025–26**.

20. Zenith Traders (Pvt.) Ltd. Provides the following Profit & Loss Account for the year ended 31st March 2025.

Profit and Loss Account			
Particulars	₹	Particulars	₹
Advertisement expenses	12,500	Sales	3,10,000
GST/Indirect taxes	8,200	Other income	25,000
Income tax	3,500	Interest on income tax refund	12,000
Audit fees	6,000	Interest on Govt. securities (net)	4,800
Salaries	18,000	Interest on tax-free bonds	9,500
Provision for taxation	15,000		
Gift to employee	2,500		
Staff welfare expenses	3,500		
Office expenses	5,200		
Entertainment expenses	4,000		

Rent of Premises	14,000		
Royalty	30,000		
Motor car expenses	9,000		
Depreciation	8,500		
Proposed dividend	40,000		
Net profit	1,35,900		
Total	3,10,000	Total	3,10,000

Additional Information:

1. Advertisement expenses include:

   i) ₹4,500 spent on diaries and calendars

   ii) ₹5,000 incurred on inauguration of a new showroom (special promotion)

   iii) ₹2,000 being capital expenditure
2. Salaries include ₹5,000 paid to the personal driver of the Managing Director.
3. Motor car is used 40% for business and 60% for personal purposes of directors.
4. Depreciation includes ₹3,000 relating to unabsorbed depreciation of earlier years.
5. Rent of premises amounting to ₹14,000 is paid without proper agreement/documentation

Compute the total income of the company and tax payable for the A.Y. 2025-26.

21. Explain the different types of assessments.

22. Mr. Rohit Menon furnishes the following details of his income for the Previous Year 2024–25:

Income Details	
Particulars	**Amount (₹)**
Business Income	3,50,000
Long-term capital gains on sale of land	1,20,000
Short-term capital gains on sale of equity shares (u/s 111A)	40,000
Other short-term capital gains	25,000
Income from other sources	32,500

Donations made during the year	
Particulars	**Amount (₹)**
Donation to National Defence Fund	30,000
Donation to Government for promotion of family welfare	20,000
Donation to Prime Minister's National Relief Fund	22,000
Donation to Africa (Public Contributions – India) Fund	8,000
Donation to National Trust for Welfare of Persons with Autism	10,000
Donation to an approved charitable trust	25,000
Donation in kind to an approved charitable trust	5,000
Donation to an approved university of national importance	12,000

(10 x 3 = 30)