



SIXTH SEMESTER B.COM. (NEP) DEGREE EXAMINATION, JULY 2025

COMMERCE (DSC – 2)

Income Tax Law and Practice – II

Time : 2 Hours]

[Max. Marks : 60

Instructions : 1) Answer *all* Sections according to *internal* choice.

2) Use of **simple** calculator is allowed.

3) Q. No. **11** is case study and is **compulsory**.

4) Give working note **wherever** necessary.

SECTION – A

1. Answer **any five** of the following. **(5×2=10)**

- What do you mean by short term capital asset ?
- Give examples (four) of casual income.
- What do you mean by speculation loss ?
- What is the maximum amount of deduction allowable u/s 80U ?
- If book profit of a firm is Rs. 2,00,000, calculate the amount of allowable salary to working partners.
- Expand TCS and TDS.
- Mention any four items which qualify at 100% for deduction u/s 80G.

SECTION – B

Answer **any four** of the following. **(4×5=20)**

2. State the provisions of Section 70 regarding inter-source set-off of losses and carry forward of losses.

3. Mr. Bhuvan purchased a residential house in the year 1999 Rs. 1,40,000. He further spent the following amount on improvement to the house.

a) Renovation to the house in the year 2000 Rs. 60,000.

b) Cost of first floor in April 2008 Rs. 6,85,000.

He sold the above house on 1-10-2023 for Rs. 25,36,800. The fair market value of the house on 1-4-2001 was Rs. 2,60,000.

The cost inflation index for the financial year 2001 – 02 = 100, 2008 – 09 = 137 and 2023 – 24 = 348.

Compare capital gain for the Assessment Year 2024 – 25.

[P.T.O.]



4. Shri Sumit submits the following income and losses relating to P.Y. 2023-24.

	(Rs.)
a) Income from salary	10,00,000
b) Winnings from lotteries (net)	70,000
c) Loss from self occupied property	2,00,000
d) Loss from cotton business	3,50,000
e) Income from food grain business	3,00,000
f) Income from speculation business	2,00,000

Compute Gross Total Income for the A.Y. – 2024-25.

5. From the following particulars of Naman, compute the amount of deduction allowable u/s-80C for the Assessment Year 2024-25.

	(Rs.)
Contribution to unrecognised provident fund	20,000
Subscription to NSC (VIII issue)	30,000
LIC premium paid on own life	25,000
Accrued interest on NSC	12,000
LIC premium on mother life	20,000
Tuition fees of son paid	11,000
Repayment of housing loan	12,000

6. Rajesh, Mahesh and Somesh are the partners in a firm of which Rajesh and Mahesh are the working partners. Net profit as shown in P and L account is Rs. 90,000 after debiting the following.

a) Interest on capital at 18% :

Rajesh	–	Rs. 9,000
Mahesh	–	Rs. 12,000
Somesh	–	Rs. 6,000

b) Salaries to partners :

Rajesh	–	Rs. 1,00,000
Mahesh	–	Rs. 1,10,000

Calculate the income of the firm.



SECTION – C

Q. No. 11 is **compulsory** and answer **any two** of the remaining. (3×10=30)

7. From the following particulars furnished by Mr. Malatesh. Compute his total income for the A.Y. 2024-25.

	(Rs.)
Gross salary	2,70,000
Income from let-out property	80,000
Loss from self-occupied property	30,000
Loss from speculation business	25,000
Income from business (before depreciation)	3,00,000
Income from capital gain	50,000
Current years depreciation	1,00,000
Income from business of owning and maintaining race horses	80,000
Loss from maintaining race horses	60,000

He wants to adjust the following brought forward losses and expenses :

- a) Loss on non-speculative business for the assessment year 2020-2021 Rs.1,00,000.
 - b) Unabsorbed depreciation for the previous year 2017-2018 Rs. 1,00,000.
8. What is assessment ? Explain the types of assessment.
9. Ravi Shastri's gross total income for the P.Y. 2023-24 was Rs. 14,00,000. He donates to the following :
- a) Rs. 75,000 to PM CARES.
 - b) Rs. 80,000 to Swachha Bharath Kosh set up by Central Govt.
 - c) Rs. 50,000 to the Clean Ganga Fund set up by Central Govt.
 - d) Rs. 25,000 to PM's Drought Relief Fund.
 - e) Rs. 75,000 to Jawaharlal Memorial Fund.
 - f) Rs. 45,000 to District Literacy Committee.
 - g) Rs. 75,000 to Municipality for promotion of family planning.
 - h) Rs. 25,000 to renovation of notified temple.
 - i) Rs. 50,000 to Karnataka University.
 - j) Rs. 50,000 worth books to Dharwad Central Library.
 - k) Rs. 25,000 worth uniform to students of Government High School, Dharwad.
 - l) Rs. 1,00,000 to a National Political Party.

He spent Rs. 50,000 on the medical treatment of his daughter who is suffering from a specified disease. He also repays loan taken for constructing his house Rs. 1,20,000 which includes Rs. 60,000 interest on loan.

Compute his total income for the A.Y. 2024-25.



10. Mr. Manjunath is an employee in a private company in Bombay. He gives the following information for the previous year 2023-24.

- a) Basic salary Rs. 15,000 p.m.
- b) Dearness allowance Rs. 10,000 p.m. (enters into retirement benefit).
- c) Medical allowances Rs. 1,000 p.m.
- d) City compensatory allowance Rs. 500 p.m.
- e) House rent allowance Rs. 4,000 p.m. He is living in a rented house paying a rent of Rs. 1,500 p.m.
- f) He has also the following incomes :
 - i) Winning from lottery Rs. 1,00,000 (gross)
 - ii) Interest on fixed deposits with SBI Rs. 20,000.

He made the following payments during the year.

- i) Professional tax Rs. 200 p.m.
- ii) Life insurance premium on own life Rs. 10,000.
- iii) Donation to Prime Ministers Drought Relief Fund Rs. 15,000.

Compute his total income for the Assessment Year 2024-25.

11. Case study (Compulsory) :

Mr. Tanuj sold residential house during the P.Y. 2023-24 for Rs. 50,00,000. The selling expenses for the same Rs. 42,000. The house was purchased on 1-1-1998 for Rs. 6,50,000. The fair market value of the same on 1-4-2001 was Rs. 8,50,000.

Mr. Tanuj has the option of purchasing new assets as follows :

- a) Residential house worth Rs. 20,00,000.

OR

- b) Agricultural land worth Rs. 20,00,000.

Suggest Mr. Tanuj as to which asset he has to purchase to get maximum exemption so that his tax burden will be lessened.

Justify your answer given that the C.I.I. for PYs 2001-02=100 and 2023-24=348.