BCO-307

Sl.No. :

Total No. of Pages : 7

Third Year B.Com. Degree Examination, May - 2026
(SLM Scheme)
INCOME TAX

Time : 3 Hours **Max. Marks : 80**

Instruction : All parts are compulsory.

PART - A

Answer any FOUR Questions. Each Question carries 5 marks : [4 × 5 = 20]

Q1) Define the following concepts :

a) Person

b) Assessment year

Q2) Sri. Rathan has the following incomes for the previous year 2024-25

a) Income from salary in India ₹40,000

b) Dividend from an Indian Company ₹10,000

c) Income from HP in India ₹30,000

d) Income from business in USA but controlled from Chennai ₹20,000.

e) Income from agriculture in London ₹50,000

Compute the total income if he is

I) Ordinary resident

II) Non-Ordinary resident and

III) Non-resident

Q3) Write a note on procedure for assessment.

Q4) Write a note on deduction u/s 80C and 80D.

Q5) From the following particulars furnished by Mr. Raghavendra, compute his income from other sources for the assessment year 2025-26.

a) Winning from lottery (Net) ₹ 70,000

b) Rent from sub-letting a house ₹20,000

c) Rent paid for this sub-let house ₹12,000

d) Interest on postal savings bank account ₹1,200

e) Income from Agriculture in England ₹20,000

f) Directors account ₹5,000

Q6) Write a note on :

a) Block of Assets

b) Methods of depreciation

PART - B

Answer any Three Questions. Each Question carries 10 Marks : [3 × 10 = 30]

Q7) Define the capital gain. Explain the types of capital gain.

Q8) What is allowance? Explain the types of allowances.

Q9) A, B and C are equal partners in a firm. The firm profit and loss account for the year ended 31st March,2025 is given below :

Salary	60,000	Gross profit	1,75,000
General expenses	45,000	Interest on Debentures	12,000
Reserve for bad debts	4,800	Rent from HP	36,000
Depreciation	8,000	Long term Capital Gain	32,000
Municipal tax paid	3,000	Dividend from Indian Company	5,000
Donation to national Children Fund (NCF)	1,000		
Salary to partners :			
A	24,000		
B	30,000		
Commission to partners :			
A	5,000		
B	8,000		
C	7,000		
Interest on Capital			
A	7,500		
B	15,000		
C	7,500		
Net Profit	34,200		
	2,60,000		**2,60,000**

Depreciation allowance as per Income tax rules is ₹10,000. Compute total income of firm. The firm fulfills the conditions of Section 184.

Q10) How to determine Income from House property?

Q11) Mr. Raj is the proprietor of a business at Bangalore. His profit and loss account for the year ended 31st March, 2025 is as follows:

Office expenses	20,000	Gross Profit	4,00,000
Rent and taxes	12,000	Interest on Govt. Securities	32,400
Personal expenses	12,000	Dividend	4,000
Commission	7,800	Share of income from firm	20,000
Reserve for bad debts	9,880	Rent from house property	32,400
Legal Charges	2,000		
Advertisement	6,000		
Gift to employees	2,600		
GST paid	16,000		
Life Insurance Premium	10,200		
Audit fee	6,000		
Interest on loan	11,000		
Depreciation	14,000		
Net Profit	3,59,320		
	4,88,800		**4,88,800**

Following further information given :

a) Depreciation allowable as per IT rule ₹10,000

b) Legal expenses for protection of trade mark

c) Bank loan taken for business purpose.

Compute the business income and total income for the assessment year 2025-26.

PART - C

Answer any TWO Questions. Each Question carries 15 marks : [2 × 15 = 30]

Q12) Mr. Surya is the General manager of Tata Motor Company. He furnished the following particulars.

a) Net basic salary ₹2,80,000 after deduction of professional tax ₹2,400. Contribution to RPF ₹24,000 and Life Insurance Premium ₹20,000

b) Dearness Allowance ₹ 8,000pm (enter into retirement benefits)

c) City compensatory allowance ₹1,200pm

d) House rent allowance ₹3,000pm. He paid ₹6,000pm as rent for the house occupied by him.

e) Bonus ₹20,000.

f) Children education allowance ₹400pm per child for two children.

g) Hostel allowance ₹500pm for per child, one of his child reside in Hostel.

h) Medical allowance ₹1,500pm

i) Conveyance allowance ₹400pm but he spent ₹200pm as conveyance.

j) He provided Leave Travel Concession (LTC) for ₹25,000.

k) Employer contribution to RPF ₹24,000

l) Interest on provident fund @12% amounted to ₹12,000

m) His obligation towards the following were paid by the company

i) Gas, electricity and water bills ₹10,000

ii) Annual membership of service club ₹12,000

Compute Income form salary for the assessment year 2025-26.

Q13) The following particulars are furnished by Mr. Mukesh for the previous year 2024-25 :

		₹
a)	Income from salary	4,50,000
b)	Rent from House property	15,000pm
c)	Municipal tax on HP	5,000
d)	Profit from business	8,00,000
e)	Long term Capital gain	80,000
f)	Short term Capital gain	40,000
g)	Short term Capital Loss	10,000
h)	Interest on Govt. securities	15,000
i)	Winning from Horse race (Net)	70,000
j)	Dividend from Indian company	8,000
k)	Medical Insurance premium paid by cheque	10,000
l)	Life insurance premium paid by cheque	15,000
m)	Donation to National Defense fund	12,000

Compute the tax liability as per old tax regime for the assessment year 2025-26.

Q14) What do you mean by residential status? How do determine residential status.

Q15) List out the income taxable under Income from other sources.

