Q.P. Code: 32622

Sixth Semester B.Com. Degree Examination, May/June, 2026

(NEP Scheme)

COMMERCE

(NCF 0220) Income Tax Law and Practice - II

Time : 2 Hours Max. Marks : 60

Instructions to students:

1. **The students should legibly write section number along with question numbers.**
2. **The answers without section number and question numbers will not be valued.**
3. **Section - I Multiple choice questions should be answered in the first page of main answer book and some questions shall not be answered repeatedly.**
4. **Any identifications like marking, ticking, dots etc., in the options of MCQ Questions (Section-I) on the question paper is strictly prohibited. Do not write anything (except register number) on the question paper.**
5. **Ordinary calculator may be used.**

SECTION - I

I. Select the most appropriate answer from the options provided. ONE marks each. **(10x1=10)**

I-1. Income received from let-out property is _____
a) Income from Salary b) Income from HP
c) Capital Gain d) Income

I-2. The Annual Value of one Self-Occupied Property is _____
a) Nil b) Taxable c) 30% of Annual Value d) None of these

I-3. Under which the work of the doctor is covered?
a) Trade b) Business c) Profession d) All the above

I-4. Allowed item when computing business income is _____
a) Reserve for Doubtful Debts b) Actual Bad Debts
c) Doubtful Debts d) All of these

I-5. The Residential House sold for Rs. 12,54,000 in August 2025 which was purchased in May 2020 for Rs. 8,00,000. How much is LTCG.
a) Rs. 4,54,000 b) Rs. 20,54,000 c) Rs. 12,54,000 d) Rs. 8,00,000

I-6. Household furniture is sold for Rs. 80,000 in 2025. Which was purchased in 2024 for Rs. 60,000. How much is Capital Gain?
a) Rs. 20,000 b) Rs. Nil c) Rs. 60,000 d) Rs. 80,000

I-7. An individual received family pension of Rs. 60,000. How much deduction shall be allowed to him?
a) Rs. 15 ,000 b) Rs. 20,000 c) Rs. 40,000 d) Rs. 25,000

I-8. Salary of an M.P. will be taxable under the head _____
a) Income from Other Sources b) Income from Salary
c) Income from Profession d) Capital Gain



I-9. Long Term Capital Loss can be set-off from _____
a) Long Term Capital Gain b) STCG
c) Rs. Any Income d) Other Sources

I-10. Miss. Preema's Total Income for the PY is Rs. 2,40,000. What is the tax liability to her?
a) Nil b) Rs. 12,000 c) Rs. 24,000 d) Rs. 12,480

SECTION - II

II. Answer any FIVE of the following questions. THREE marks each. (5x3=15)

II-1. What is Annual Value?

II-2. What is Profession ? Give Examples.

II-3. What are Capital Assets?

II-4. From the following information of Jayaveera, compute income from house property for the PY 2024-25.

Municipal value Rs. 6,00,000

Fair rental value Rs. 7,20,000

Standard rent Rs. 6,40,000

Actual rent received Rs. 80,000 pm

Municipal tax paid by the owner is 10% of municipal value and unrealized rent of Rs. 60,000. Condition of Rule 4 not satisfied.

II-5. The Total Income of Mr. Ravish is Rs. 11,50,000 for the PY 2024-25. Compute total tax payable by Mr. Ravish. His age is 42 years.

II-6. Compute Income from Other Sources of Jinendra from the following:
a. Director's fees Rs. 2,00,000
b. Ground rent Rs. 1,00,000
c. Income from Agriculture in Nepal Rs. 3,00,000
d. Interest on POSB account Rs. 3,000

II-7. The Net Profit of the Sumathi Kumar after charging the following items in Profit & Loss A/c. Rs. 6,80,000. Compute Income from Business.
a. Salary to Staff Rs. 50,000
b. Bad Debts Rs. 10,000
c. Charity and Donation Rs. 25,000
d. Personal Household Expenses Rs. 15,000

II-8. Compute Total Income of Lt. Manish Kumar from the given information: His Salary income (computed) Rs. 12,00,000, HP income (Computed) Rs. 5,00,000, Capital Gain Rs. 2,00,000 and his taxable income from other sources including bank interest is Rs. 60,000.

SECTION - III

III. Answer any THREE of the following. FIVE marks each. **(3x5=15)**

III-1. Write a note on Unrealized Rent.

III-2. Mention whether following items are allowable or Disallowable while calculating income from Business:

a. Pooja Expenses
b. Bad debts written off
c. Reserve for Bad Debts
d. Provision for Income Tax
e. Advertisement Expenses

III-3. CA Jithendra & Company are Chartered Accountants in Delhi. From the following information, compute income from Profession.

Expenditure	Amt. Rs.	Incomes	Amt. Rs.
To Drawings	8,0000	By Audit fees	5,24,000
Office rent	42,000	Financial consultancy service	98,000
Telephone charges	15,000	Dividend from UTI	10,000
Electricity bill	6,700	Accountancy works	14,000
Salary to staff	66,000		
Car expenses	21,000		
CA Institution fees	1,200		
Stipends given to trainees	12,000		
To Net profit/Income	4,74,100		
	6,46,000		**6,46,000**

Note: 1) Depreciation of car during the year amounts Rs. 5,000
2) 30% of the car used for personal purpose.

III-4. Sri Hoysala owns a residential house at Soraba which he acquired in May 2009 for Rs. 8,96,000. He sells the house for Rs. 55,00,000 in August 2024. He paid Rs. 50,000 as brokerage for the sale of property. He purchases a residential house at Shivamogga in February 2025 for Rs. 25,00,000, Invested Rs. 4,00,000 in NHAI Bonds and deposited Rs. 2,00,000 under Capital Gain Account Scheme. Find out amount of capital gain chargeable to tax for the AY 2025-26.

III-5. From the following particulars of income of Sri Adithya, compute his income from Other Sources for the year ending 31.03.2025.

1. Salary as M.L.A. Rs. 2,50,000 per month and Dearness allowance Rs. 80,000 p.m.
2. Dividend from Foreign company Rs. 25,000
3. Income from Sub-letting of Property Rs. 45,000 (Actual Rent paid on this house is Rs. 34,000)
4. Royalty from books written Rs. 70,000 (expenses incurred for this purpose Rs. 5,000)
5. Winning from Lottery Rs. 28,000 (net)

SECTION - IV

IV. Answer the following questions. TEN marks each. **(2x10=20)**

IV-1. A) Explain the provision and rules regarding Set-off and carry forward of losses.

OR