

(i) Printed Pages : 7 Roll No.

(ii) Questions : 14 Sub. Code :

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**Bachelor of Commerce 6th Semester
(2055)**

DIRECT TAX LAWS

Paper : BCM-601

Time Allowed : Three Hours] [Maximum Marks : 80

Note :— Attempt **FOUR** short questions out of **SIX** from Section A.
Attempt **TWO** questions each from Sections B & C
respectively.

SECTION-A

1. Write note on Deemed Income and its taxability.
2. What do you understand by 'Tax Holiday' ?
3. Mr. A provide following particulars for the assessment year 2024-25. Find out his tax, education cess etc., under Old regime.
Mr. A is 81 years old.

Particulars	Amount (Rs.)
Profit on sale of shares (short-term) SST paid	90,000
Salary income	8,60,000
Winning from lotteries	1,00,000
House property income	40,000
Long-term capital gain on sale of a piece of plot	2,20,000
Total Income	13,10,000

4. Write a note on different offences which make an assessee liable to prosecution.
5. What is Income Tax Appeal ?
6. Mr. Sohan an individual converted his self-acquired property amounting Rs. 60,000 into H.U.F. property on 1.6.94. The H.U.F. consist of himself, his wife, a major son and a minor son. The H.U.F. earned an income of Rs. 1,00,000 from others sources. The income from property converted into H.U.F. property is Rs. 12,000 and his wife and minor son are entitled to a share in it. Compute the total income of H.U.F. and total income of Mr. Sohan if Mr. Sohan has Rs. 15,000 as his individual income.

$$4 \times 5 = 20$$

SECTION-B

1. What are the provisions of law regarding the clubbing of income of spouse and other family members in the income of individuals ?
2. What are the provision relating to deduction from Gross total income :
 - (i) U/S 80D
 - (ii) U/S 80DD
 - (iii) U/S 80U
 - (iv) U/S 80DDB
 - (v) U/S 80TTA
 - (vi) U/S 80E
 - (vii) U/S 80GGA ?

3. Dr. VP whose age is 68 years has given the following details of his income. Compute his tax liability for the assessment year 2024-25 under Old regime.

(A)	S.No.	Particulars	Amount (Rs.)
	i	Pension from Government	2,47,500
	ii	Salary from a private sector company	6,50,000
	iii	Long term capital gain	36,500
	iv	Interest on fixed deposit with bank	72,600
	v	Deposit Rs. 10,000 in MEP (an Equity linked saving) and Rs. 10,000 in NSS 1992.	

(B) Also compute his tax liability if assesses opts to pay tax under New regime u/s 115 BAC.

4. Smt. Sakshi employed as a manager in a company at Mumbai (population above 40 lakhs) provide the following details of her income ended 31st March, 2024 :

(a)	Salary @ Rs. 25,000 per month
(b)	Dearness Allowance @ Rs. 10,000 per month (It enters for service benefit)
(c)	Bonus equal to 4 month's salary
(d)	Entertainment allowance @ Rs. 3,000 per month
(e)	Provided with an unfurnished accommodation the fair rental value of which is Rs. 5,000 per month.

(f)	Hospitalisation expenses (Self) in a private hospital (unapproved) Rs. 25,000 borne by employer.
(g)	He contribution to recognise provident fund @ 14% of salary. Employer contributed an equal amount. Interest credited to provident fund @ 11% is Rs. 2,200
(h)	She encashed two months leave (including DA) during the year
(i)	Interest on Government securities Rs. 5,000
(j)	Interest received from Post office Saving account Rs. 2,000 (Single name account)
(k)	She lets out her house property at Delhi @ Rs. 3,000 per month. She could not realise the rent for the months of January and February. The municipal valuation of the house is Rs. 33,000. Municipal Taxes paid @ 10%.
(l)	She sold one house for Rs. 1,27,800 on 1-4-2023. This house was purchased by her on 15 th May, 2022 for Rs. 45,000
(m)	She sold another house on 20-4-2023 for Rs. 2,60,000. This house was purchased by her for Rs. 90,000 on 1-5-2005. [C.I.I. for 2005-06 : 117 for 2023-24 : 348]
(n)	Income from Units of UTI Rs. 8,000
(o)	Deposited in National Saving Scheme, 1992 Rs. 15,000
(p)	Donations to National Defence Fund Rs. 5,000
(q)	Donation to PGI Chandigarh for family planning Rs. 8,000
(r)	Spent Rs. 35,000 on the medical treatment of specified diseases of her grand father (dependent) aged 80 years.

Compute total income tax liability of Smt. Sakshi for the assessment year 2024-25.

2×15=30

SECTION-C

- Describe the procedure of constitution of Appellate Tribunal. Give the procedure for filling an appeal to the Appellate Tribunal.
- What are the provisions of law regarding deductions of Tax at source in respect of income from :
 - Salaries
 - Interest on securities
 - Interest other than interest on securities
 - Income from dividend
 - Winning from Horse race, crossword puzzle, betting etc. ?
- X and Y are resident individuals and partners of XY & Co. (a firm of Chartered accountants). On March 3, 2023 there is no provision for payments of salary and interest to partners. On April 1, 2023 the deed has been amended to provide salary and interest as follow :

	X	Y
Salary	Rs. 20,883 pm	Rs. 25,000 pm
Interest on Capital	24%	24%

The income and expenditure account of XY Co. for the year ended March 31, 2024 is as follow :

Expenditure	Amt. (Rs.)	Income	Amt. (Rs.)
Office expenses	2,10,000	Receipts from clients	10,10,000

Expenditure	Amt.(Rs.)	Income	Amt.(Rs.)
Salary to employees	70,000	Int. recovered for X & Y Drawing	3,000
Income -tax	42,000		
Salary to X	2,50,000		
Salary to Y	3,00,000		
Int. on capital to X @ 24%	16,000		
Int. on capital to Y @ 24%	19,000		
Net profit (shared by X and Y equally as per terms of partnership deed)	1,06,000		
Total	10,13,000	Total	10,13,000

Other information :

- (i) Out of office expenses : Rs. 18,800 is not deductible by virtue of section 30 to 37.
- (ii) During previous year 2023-24 the firm sells a capital asset for Rs. 7,10,000 (indexed cost of acquisition being Rs. 1,45,865).

(iii) Personal income and investment of partners as follow :

Particulars	X	Y
Interest from Govt. Securities	4,70,000	4,23,000
Bank interest	6,00,000	1,02,000
Deposits in Provident funds	70,000	45,000
Mediclaim insurance premium	12,000	11,000

Find out the net income of the firm and partners for the assessment year 2024-25 on the assumption that conditions of sections 184 and 40(b) are satisfied.

Mr. R, Mrs. R and Mr. Z are members of AOP sharing profits and losses equally. During the year ending 31.03.2024 total income of AOP was Rs. 3,30,000. The details of individual income of its members are given below :

Mr. R

Rent from House Property	Rs. 60,000
Interest on fixed deposits with HDFC	Rs. 86,000
Short term capital gain	Rs. 90,000

Mrs. R

Bank interest on fixed deposits	Rs. 1,70,000
Dividend from a Co-operative Society	Rs. 30,000

Mr. Z (Age 67 years)

Pension from Govt.	Rs. 1,90,000
Interest accrued on NSC VIII issue	Rs. 16,600
Interest on Govt. Securities	Rs. 16,000

Compute tax liability of AOP and its members under Old regime.

$$2 \times 15 = 30$$