

END SEMESTER EXAMINATION, MAY - 2026**B. Com. (Hons.) Semester - VI****Subject Name: Income Tax****Subject Code: BCM602****Time allotted: 03 Hours****Max. Marks: 100****Note: Read all the instructions carefully.****Q.1. Objectives Type (Very short/ Short Answer, MCQ, One-liners, Fill in the Blank, True/ False) Attempt all. (10x2=20)**

a.	Set-off of losses means _____.	CO1
b.	Loss from house property can be carried forward. (True/False)	CO1
c.	Deduction under section 80C is allowed up to ₹ _____.	CO1
d.	TDS stands for _____.	CO1
e.	Advance tax is paid after the end of the year. (True/False)	CO1
f.	Which authority assesses income tax? a) RBI b) Income Tax Department c) SEBI d) GST Council	CO1
g.	Income tax is a _____ tax.	CO1
h.	Previous year always starts on _____.	CO1
i.	Salary is always taxed on receipt basis only. (True/False)	CO1
j.	Capital gains are classified into _____ types.	CO1

Q.2. Short notes / Short Answer Type (Attempt any five out of Seven) (5x4=20)

a.	Explain the rules of Motor Car Perquisite under the head Salaries as per the Income Tax Act.	CO1
b.	What are the rules for tax incidence of an individual for Resident and Ordinarily Resident (ROR), Resident but not Ordinarily Resident (RNOR) and Non-Resident (NR).	CO5
c.	What is Income Tax Return (ITR). Explain its various types.	CO4
d.	Explain any two deductions under sections 80C to 80U as per the Income Tax Act.	CO3
e.	Explain the Long-Term Capital Asset and Short-Term Capital Asset as per the Income Tax Act.	CO3
f.	Explain the rules regarding interest on borrowed capital deductible for a self-occupied house property.	CO5
g.	Explain the following terms as per the Income Tax Act: (a) Income, (b) Person	CO2

Q.3. Structured Question (Attempt any three out of four) (3x10=30)

a.	Draw the proforma for computation of Profits and Gains from Business as per the Income Tax Act.	CO3																								
b.	How is the residential status of an individual determined?	CO3																								
c.	From the following incomes earned by Mr. Rajesh during the financial year 2025-2026, determine his total income for the assessment year 2026-2027, if he is (i) Resident and Ordinarily Resident, (ii) Not Ordinarily Resident, and (iii) Non-Resident.	CO4																								
	<table border="1"><thead><tr><th></th><th>Particulars</th><th>Rs.</th></tr></thead><tbody><tr><td>(a)</td><td>Profits from a business in Bombay managed from London</td><td>1,60,000</td></tr><tr><td>(b)</td><td>Pension for services rendered in India but received in Burma</td><td>15,000</td></tr><tr><td>(c)</td><td>Interest on US Government Bonds half of which is received in India</td><td>4,000</td></tr><tr><td>(d)</td><td>Income from property situated in Pakistan received there</td><td>20,000</td></tr><tr><td>(e)</td><td>Past foreign untaxed income brought to India during the previous year</td><td>7,000</td></tr><tr><td>(f)</td><td>Income from agricultural land in Nepal received there and then brought to India</td><td>30,000</td></tr><tr><td>(g)</td><td>Income from profession in Kenya which was set up in India, received there</td><td>12,000</td></tr></tbody></table>		Particulars	Rs.	(a)	Profits from a business in Bombay managed from London	1,60,000	(b)	Pension for services rendered in India but received in Burma	15,000	(c)	Interest on US Government Bonds half of which is received in India	4,000	(d)	Income from property situated in Pakistan received there	20,000	(e)	Past foreign untaxed income brought to India during the previous year	7,000	(f)	Income from agricultural land in Nepal received there and then brought to India	30,000	(g)	Income from profession in Kenya which was set up in India, received there	12,000	
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d.	Y owns a house property, which is let-out by him throughout the previous year 2025-2026. As regard to above, the following information are provided: Municipal value = Rs. 4,00,000; Fair Rental Value = Rs. 5,00,000; Standard Rent = Rs. 4,60,000; Annual Rent = Rs. 45,000 per month. The rent of 1 month is unrealized by the landlord. Municipal taxes paid by the landlord = Rs. 40,000. Other expenses for the previous year 2023-2024 are: repairs = Rs. 3000; insurance = Rs. 5000; interest on borrowed capital (borrowed after 01.04.1999) for constructing the property = Rs. 80,000. Find the income of Y for the assessment year 2026-2027 on the assumption that income of Y from other sources is Rs. 3,00,000.	CO4

Q.4. Long Answer / Essay type (Attempt any two out of three)

(2x15=30)

a.

Mehak is employed with ABC Ltd. since 2010. He is entitled for the following from his employer:

CO4

Particulars	Rs.
Basic Salary	18,000 p.m.
Dearness allowance (part of salary for retirements benefits)	4,000 p.m.
Children education allowance for three children	9,600 p.m.
Hostel expenditure allowance for three children	200 p.m. per child
House rent allowance upto 31.10.2025 (Rent paid for a house in Delhi Rs. 4,500 p.m.)	6,000 p.m.
Medical allowance upto 31.10.2025 (Entire amount was spent on his medical treatment)	1,000 p.m.
Commission 3% of turnover upto 31.10.2025 (Actual turnover = Rs. 20,00,000)	60,000

With effect from 01.11.2025, she was given rent free accommodation in Delhi which was owned by employer. Fair rent value of house is Rs. 2,40,000 p.a. He was also provided 1500 cc motor car with driver w.e.f. 01.11.2025 to be used partly for official and partly for private purposes. The expenses of running and maintaining of car were met by Mehak herself.

She was also given facility of watchman, sweeper and gardener right from 01.04.2025. The salary of each employee was Rs. 600 p.m.

Compute her taxable income under the head salaries for the assessment year 2026-2027 under the old tax regime.

b. From the following Profit & Loss Account of Mr. Sohan, ascertain his income from business for the Assessment Year 2026-2027:				CO3, CO4	
	Rs.		Rs.		
To salary (including proprietor's salary)	90,000	By gross profit	2,44,000		
To general expenses	10,000	By bad debts recovered (Not allowed by Assessing Officer due to lack of evidence)	4,000		
To advertisements	6,000	By rent received	6,000		
To interest on proprietor's capital	4,000	By interest on fixed deposit in a bank	2,000		
To interest on bank loan	9,000				
To provision for bad debts	4,000				
To fire insurance premium (on house property)	200				
To depreciation	8,000				
To reserve for GST	20,000				
To advance income tax	19,000				
To donation to central library	2,000				
To corporation-tax on house property	1,000				
To motor car expenses	2,000				
To stationery	3,800				
Net Profit	77,000				
	2,56,000		2,56,000		
Other information:					CO3, CO4, CO5
1. General expenses include Rs. 600 given to a poor student to enable him to pursue his studies. 2. Depreciation is in excess by Rs. 1,500. 3. Motor car expenses include Rs. 300 for personal purposes. 4. Central library is an approved institution. 5. The proprietor draws Rs. 1,000 p.m. by way of salary.					
c. The following are particulars of Mrs. Komal Verma's income: i. Salary Rs. 1,14,000 per annum. ii. Dearness allowance (under the terms of employment) Rs. 12,000 per annum. iii. Education allowance (for three children) Rs. 5,700 per annum. iv. Medical allowance (actual expenditure Rs. 8,000) Rs. 7,200 per annum. v. Rent free house (in Ghaziabad population 15 lakhs) for which the company paid Rs. 3,000 per month as rent. The house is furnished and the rent of the furniture is Rs. 2,000 per annum. vi. A domestic servant, a sweeper and a watchman were paid Rs. 250 per month each by the company. vii. The company spent Rs. 4,000 on her refresher course. Compute taxable "Income from Salary" for the assessment year 2026-2027.					
