



GOA UNIVERSITY

Bachelor of Commerce (Sem-VI) (NEP)
Course Type – Commerce Major

Course Title : Direct Tax-II
Duration : 2:00 Hours

Course Code : COM-306
Total Marks : 80

Instructions:

- All questions are compulsory.
- Q.No.2 to Q.No.5 have internal choice
- Figures to the **right** indicate the **marks** allotted.
- All questions need to be answered with reference to the provisions of the Income Tax Act, 1961, relevant to Assessment Year 2025-26.

Q.No. 1. Answer the following:

(8 x 2 = 16 Marks)

- State the rule of Section 37(2B) about advertisement in publications of a political party.
- Write any two conditions for claiming depreciation under Section 32 of the Income Tax Act.
- What is the time limit for acquiring the new asset under section 54 of the Income Tax Act?
- Which are the capital assets to which a 24-month holding period is applicable, effective from 23 July 2024?
- Mention the amount of deduction available under section 80 TTA and who is eligible to avail it.
- State any two donations with 50% deduction available under Section 80G of the Income Tax Act.
- State the conditions under which an individual is assessable in respect of the income of his minor child under section 64(1A) of the Income Tax Act.
- Write a brief note on revised return under section 139(5) of the Income Tax Act.

Q.2.A. Ms. Mahima Dekhne, an entrepreneur (sole proprietor), furnishes the following Profit & Loss account of her business for the year ending 31st March 2025.

Particulars	Amt	Particulars	Amt
To salaries	4,48,900	By Gross Profit b/d	9,00,000
To Household expenses	6,800	By Commission	40,000
To Rent of Business Premises	35,000	By Income tax refund	6,420
To Cost of training of employees	56,000	By Gifts at the time of marriage	35,000
To advertising & Publicity	75,000	By Discount received	23,750
To General expenses	23,000		
To Provision for bad debts	14,800		
To Telephone expenses	19,900		
To Printing & Stationery	44,450		
To Income Tax	20,000		
To Provision for bonus	11,780		
To Depreciation on non-current asset (25%)	4,000		
To Net Profit c/d	2,45,540		
	<u>10,05,170</u>		<u>10,05,170</u>

Additional Information

- i) While determining the above gross profit, closing stock shown at Rs.45,000 has been valued at 10% below cost price. However, the opening stock stands valued at cost price.
- ii) General expenses include the following:
 - a) Life Insurance premium on his own life policy Rs.6,700.
 - b) Expenses of Rs.10,000 on his wife's first birthday party.
- iii) He got married during the year. Printing and stationery include Rs.15,000 being cost of printing his wedding invitation cards.
- iv) Depreciation on non-current assets was admissible @ 20% p.a.
- v) Advertisement expenditure includes an amount of Rs. 10,000 towards advertisement published in a souvenir of a political party.

Show how her income will be determined under the head profits and gains of Business or Profession for the Assessment Year 2025-26.

(12)

OR

Q.2.B. Mr. Ranjit Amlani, a practicing Chartered Accountant, gives below the summary of his cash transactions for the year ending 31st March 2025.

Cash Book

Receipts	Amt	Payments	Amt
To Opening balance	79,000	By Staff salaries	69,000
To Consultation fees	3,10,000	By General expenses	15,000
To Audit fees	4,20,000	By Purchase of computer	20,000
To Gift from father	10,000	By Office stationery	20,000
To Fees from clients for 2024-25	38,000	By Income tax	10,000
		By Membership fees to ICAI	1000
		By Advertisement expenses	12,000
		By Motor car expenses	24,000
		By Son's marriage expenses	25,000
		By Office rent	10,000
		By Purchase of household furniture	85,000
		By Closing balance	5,66,000
	8,57,000		8,57,000

Additional Information:

- Salary of Rs.15,000 paid to his daughter is included in staff salaries, 25% of which is considered unreasonable.
- The WDV of the computer as on 01/04/2024 is Rs. 40,000. New computer purchased and put to use on 01/12/2024. Depreciation on the computer is admissible @40% p.a.
- ¼ of the motor car expense relates to his personal use. The WDV of motor car as on 01/04/2024 is Rs.2,00,000. Admissible rate of depreciation on motor car is 20% per annum.
- Mr. Ranjit in appreciation of his services, was gifted with a membership of holiday resorts valued Rs.43,000(Gift).

Compute his income from Profession for Assessment Year. 2025-26.

(12)

Q.2.C. Explain the provisions of Section 64(1)(vii) relating to when an individual is assessable in respect of income from assets transferred to a person for the benefit of a spouse.

(04)

Q.3.A. Mr. Haresh Sail furnishes the following information about the transfer of the capital assets during the Previous Year 2024-25:

Particulars	Unlisted shares	House Property
Sale Consideration	Rs. 16,00,000	Rs. 22,00,000
Date of Sale	10 July 2024	16 July 2024
Cost of Acquisition	Rs. 4,10,000	Rs. 1,25,000
Date of Acquisition	05 st June 2004	05 th August 2008
Cost of Construction of the first floor in 2012-13	-	Rs. 200,000
Cost of Construction of the second floor in 2014-15		Rs.3,50,000
Brokerage	0.5%	Rs.20,000
CII for 2004-05 is 113, CII for 2008-09 is 137, CII for 2012-13 is 200, CII for 2014-15 is 240 and CII for 2024-25 is 363		

To avail the exemption under section 54 of the Income Tax Act, on 30th June 2025, Rs. 8,00,000 of the capital gain was deposited in the “Capital gain deposit account scheme” with a nationalised bank, in accordance with the provisions of the Income Tax Act. However, in the case of non-listed shares, the assessee did not acquire any asset to get the benefit of the exemption. Ascertain the amount of Capital Gain for Assessment Year 2025-26.

(12)

Q.3.B. The following details regarding the machinery account (one block) of M/s. Hariplal Ltd.

	Rs.
Written Down Value of the block as on 01/04/2024	8,00,000
Purchase of machinery on 01/10/2024	9,00,000
Purchase of additional machinery on 01/03/2025	4,00,000
Sale of machinery on 02/01/2025	90,000
(Written Down Value Rs.1,00,000)	
Admissible rate of depreciation on the block 10%	
Ascertain the amount of depreciation admissible for Assessment Year 2025-26	

(04)

OR

Q.3.C. Following are the details of the income of Mr. Amit Amonkar (aged 45), a resident individual for the Previous Year 2024-25:

- i) Gross total Income Rs.6,00,000
- ii) Deductions available under Section 80C Rs. 1,45,000.
- iii) He is certified by a medical authority as a person with **40% disability**. Determine the deduction allowable under **Section 80U** to Mr. Amit for the Assessment Year 2025-26.

(04)

Q.4.A. Ms. Sapna Kevat (Age 35), suffering from 55% disability, working in a private firm, provides the following information regarding the income received by her during the Previous Year. 2024-25

- a) Income from Salary Rs. 1,50,000.
- b) Income from House Property Rs. 6,00,000.

- c) During the previous year 2024-25, she earned a profit of Rs. 8,60,000 from her business. She paid Rs. 40,000 as income tax, and out of Rs. 21,000 paid as Salary to her daughter (working as his employee), Rs.4000 was considered unreasonable.
- d) Income from other sources Rs. 4,95,000.

During the P.Y 2024-25, she made the following payments:

- i) Life Insurance Premium paid on the life of her father, Rs. 10,000
- ii) Deposited in PPF A/c of her daughter Rs. 40,000
- iii) She paid Interest on the loan taken for higher education Rs. 22,000
- iv) Donation to Prime Minister's Drought Relief Fund Rs.9,000.
- v) She also received Interest on Savings Bank A/c (already included in income from other sources) Rs. 14000.

Analyse her total taxable income and tax liability under the old tax regime for the Assessment Year 2025-26 (12)

Q.4.B. Mr. Ramesh Lawande, is a resident individual. He incurred ₹40,000 during the Previous Year 2024-25 for the medical treatment and maintenance of his dependent son, who has 60% disability (certified by a medical authority). His Gross Total Income is ₹6,00,000.

Compute the deduction allowable under Section 80DD and his Total Income. (04)

OR

Q.4.C. Ms. Sangita Nair furnishes the following information about the transfer of the capital asset i.e. listed Equity Shares during the previous year 2024-25

Sale Consideration	Rs. 40,00,000
Date of Acquisition	08/08/2023
Cost of Acquisition	Rs. 10,60,000
Date of Sale	19/09/2024
Brokerage	0.5%
CII for 2023-24 is 348 and CII for 2024-25 is 363	

Find out the capital gain chargeable to tax for the Assessment Year 2025-26. (04)

Q.5.A. Mrs. Deepali Chari (Age 28 years), a resident in India, working in M/s. Nayana Enterprises, Ponda-Goa, provides the following particulars of her income for the Previous Year 2024-25.

- a) Income from Salary Rs. 2,35,000
- b) Income from House Property Rs. 4,00,000.
- c) She earned a net profit of Rs. 7,00,000 from her business. However, Printing & Stationery already deducted includes a bill of Rs.25,000 paid by a bearer cheque to the supplier.
- d) Income from other sources Rs.50,000.

During the P.Y 2024-25, she made the following payments:

- i) Life Premium on his own life policy effected during 2012-13, Rs. 30,000 (sum assured Rs. 90,000).
- ii) She paid the health insurance premium for herself and her Spouse (29 years) by a crossed cheque of Rs. 24,000 during the year 2024-25.

- iii) She also received Interest on Savings Bank A/c (already included in income from other sources) Rs. 18,000.

Assess her net taxable income, tax liability as per the new tax regime (alternate tax regime), and assess the amount of advance tax payable by her along with the due dates of payment of advance tax for the Assessment Year 2025-26.

(12)

Q.5.B. Ms. Succorina D'costa purchases a house property for Rs. 8, 00,000 on 30th July, 2001. The following expenses are incurred by him for making addition/alterations to the house property:

- | | |
|---|--------------|
| a) Cost of Construction of the first floor in 2005-06 | Rs. 1,35,000 |
| b) Alteration/reconstruction of the property in 2017-18 | Rs. 5,85,000 |
| c) Cost of transfer | Rs. 23,000 |

The house property is sold by her on 28th July, 2024, for Rs. 56,00,000.

[CII for 2001-02 is 100, 2005-06 is 117, 2017-18 is 272, and CII for 2024-25 is 363.]

Compute the capital gain chargeable to tax for the Assessment Year 2025-26 in the case of Ms. Succorina D'costa, assuming she opts for the indexation benefit (Old Regime).

(04)

OR

Q.5.C. Mr. Satish Avkhale has the following incomes and losses for the Previous year 2024-25:

- (i) Income from Business P (non-speculative) - Rs. 3,40,000
- (ii) Loss from Business Q (non-speculative) - Rs. 2,60,000
- (iii) Loss from speculative business - Rs. 80,000

Apply the provisions of Section 70 and ascertain (a) the amount of loss that can be set off against income from another source under the same head of income. (b) the taxable income under the head "Profits and Gains of Business or Profession."

(04)