



GOA UNIVERSITY

Bachelor of Commerce (Sem-V) (NEP)

Subject Name: Commerce Major

Paper Title: **Direct Tax I**

Paper Code: **COM - 302**

Duration: **2:00** Hours

Total Marks: **80**

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

Q.1] Answer the following:

[8 x 2 = 16]

- a. Define 'Assessment Year' u/s 2(9).
- b. Define 'Business' u/s 2(13).
- c. List any 2 items which constitute Perquisites u/s 17(2).
- d. Recall the taxability of employer's contribution to unrecognised Provident Fund and Interest credited to unrecognised Provident Fund under the head income from Salaries.
- e. List the factors to be considered while ascertaining fair rent (list any 4).
- f. What is 'Standard Rent' under income from house property?
- g. List any four items which are prescribed as 'movable property' under income from other sources.
- h. State the deduction allowed in case of family pension u/s 57 under income from other sources.

[12]

Q2. A] Mr. Shriram, an employee of a private firm, residing at Pune, Maharashtra, provides you the following details of his salary income for the Financial Year 2024-25.

Basic Salary Rs. 8,000 p.m.
Dearness Allowance (forming part of salary for computing all retirement benefits) - 75% of Basic
House Rent Allowance - 20% of Basic
HRA exempt u/s 10(13A) Rs. 4,800
Arrears of Salary Rs. 5,000
Employer's Contribution to Recognised Provident Fund Rs. 22,460
Interest credited to the above Recognised Provident Fund @ 11% Rs. 9,900
Bonus equal to 2 months Basic was declared
Education Allowance (for 1 child) Rs. 600 p.m.
Perquisite value of the car provided for personal as well as official use Rs. 4,000
Professional Tax deducted from salary Rs. 200 p.m.
Life Insurance premium of the assessee paid by employer Rs. 800 p.m.

Compute his income from Salaries for the Assessment Year 2025-26 if he has opted for old tax regime.

OR

[12]

B] Mr. Dileshwar, suffering from 50% disability is a resident of Mumbai employed in M/s Star Steel Co. Ltd. He received the following emoluments during the Previous Year 2024-25.

- Basic Salary Rs. 23,000 p.m.
- Dearness Allowance 40% of Basic Salary (forms part of salary for computing all retirement benefits).
- Commission of 5% on Turnover (value of turnover achieved by him during 2024-25 is Rs. 10,00,000).
- Bonus received equal to two months Basic Salary.
- Employer contributes 12.5% of Dileshwar's salary towards Recognised Provident Fund. Employee also contributes an equal sum.
- Interest credited to his Recognised Provident Fund @ 13% during the year Rs. 13,000.
- Transport Allowance Rs. 3,500 p.m. (Amount actually spent 50%)
- Entertainment Allowance Rs. 1,000 p.m. (Amount actually spent Rs. 500 p.m.)
- Children Education Allowance Rs. 250 p.m. per child for 2 children
- LIC premium of Dileshwar paid by the employer Rs. 2,000 p.m.
- Professional Tax paid by the employer Rs. 150 p.m.

Compute his income from Salaries for the Assessment Year 2025-26 under new tax regime.

[4]

C] Mr. Paul is a foreign citizen. He visits India every year for a period from 1st April to 10th July. Interpret his residential status for the Assessment Year 2025-26.

[12]

Q3. A] Following particulars of the income of Mr. Shailendra for the Assessment Year 2025-26 are given to you:

i)	Salary from employment in Mumbai, received abroad Rs.8,40,000
ii)	Rental income from house property in Portugal, received in France Rs.1,20,000
iii)	Interest on fixed deposit in an Indian bank Rs.70,000
iv)	Dividend from a foreign company, received in India Rs. 50,000
v)	Agricultural income from land in Bhutan Rs. 90,000
vi)	Royalty from writing a book in Australia, received in Australia Rs. 40,000
vii)	Income from agriculture in India Rs. 28,000.
viii)	Business income from Singapore (business controlled from India) Rs. 2,10,000, of which Rs. 50,000 was received in India.
ix)	Profit from sale house in Goa received in Muscat Rs. 4,20,000.
x)	Past untaxed profit of 2022-23 earned abroad brought to India in 2024-25 Rs. 35,000.

Ascertain his total income if he is:

- i) Resident but Not Ordinarily Resident
- ii) Non-Resident

[4]

B] Miss Manjusha is working at Delhi as a senior manager on a basic salary of Rs. 50,000 per month and D.A. Rs. 20,000 per month (D.A. is considered for retirement benefits). She also received H.R.A.

of Rs. 15,000 per month. She paid rent of Rs. 12,000 per month for a house at Delhi for 10 months from 1st April, 2024 to 31st January, 2025. Thereafter, she started staying in her own new house.

Calculate the amount of House Rent Allowance exempt u/s 10(13A) for the Assessment Year 2025-26 under old tax regime.

OR

[4]

C] Mr. Sampat, a Non-Gazetted officer in the State Government, gives the following details of his salary for the Previous Year 2024-25:

- 1. Basic Salary – Rs. 6,20,000
- 2. Dearness Allowance (forming part of retirement benefits) – Rs. 3,34,800
- 3. Entertainment Allowance received – Rs. 18,000
- 4. Professional Tax paid – Rs. 2,400

Apply the conditions u/s 16(ii) to ascertain the deduction available to him for entertainment allowance under old tax regime.

[12]

Q4. A] Mr Jeevan, a resident individual, 52 years of age provides the following information of the house properties owned by him for the Previous Year ended 31st March 2025.

Particulars	House No I	House No II
Nature of Occupation	Let out	Self-occupied
	Rs.	Rs.
Fair Rental Value	7,20,000	5,10,000
Municipal Value	6,80,000	4,65,000
Annual Rent	5,40,000	-
Municipal Taxes Paid - by Mr. Jeevan	18,000	8,000
- by Tenant	6,000	-
Vacancy Period	1 month	-
House Repairs	17,000	13,500
Interest on borrowed capital	1,38,000	76,000
Loan borrowed for construction of the house in the year	2021	2020

Determine his income from House Property for Assessment Year 2025-26 under the old tax regime.

[4]

B] Mrs. Kamal, resident in India received the following gifts during the Previous Year 2024-25:

- i Gift of Rs. 48,000 from her grandmother.
- ii Gift of Rs. 5,50,000 under will of her mother-in-law.
- iii Gift of Rs. 55,000 from her mother's friend in cash.

Ascertain the amount of gifts chargeable to tax for the Assessment Year 2025-26.

OR

[4]

C] Mr. Dravid received the following immovable properties during the Previous Year 2024-25:

- 1. A plot of land received from his friend without consideration. Stamp Duty Value (SDV) – Rs. 4,80,000.
- 2. Agricultural land received as a gift from his father. SDV – Rs. 6,00,000.
- 3. Residential house gifted by his friend. SDV – Rs. 40,000.

Ascertain the taxable amount under the head income from Other Sources in respect of above

immovable properties.

[12]

Q.5 A] Mr Banarasi, a resident in India, aged 48 years, gives you the following details for the year ended 31st March 2025.

1. Royalty received on Patents in India Rs. 2,80,000.
2. Interest on enhanced compensation received from the government Rs. 1,50,000.
3. Rent from sub-letting of house property Rs. 14,000 per month. Rent paid to the landlord 12,000 p.m.
4. Interest from Savings Bank Account in Union Bank of India Rs. 8,000.
5. Interest on 6% Debentures in Hi-tech Ltd, Delhi Rs. 15,400. He had spent an amount of Rs. 600 as collection charges to collect debenture interest.
6. Winnings from lotteries (net) Rs. 96,320. Tax deducted at source Rs. 43,680. He has spent Rs. 1,800 to purchase lottery tickets.
7. Amount received under Keyman insurance policy (including bonus of Rs. 15,000) Rs. 1,35,000.
8. Income from agriculture in Sri Lanka Rs. 88,000.

Determine his income from Other Sources for Assessment Year 2025-26 under the new tax regime.

[4]

B] Mr. Anup owns a house in Mumbai which is let out. The following details are given for the Previous Year 2024-25:

- Annual Rent receivable for the year – Rs. 3,00,000
- Out of this, a tenant did not pay the last 4 months rent (Rs. 1,00,000).
- Mr. Anup has already initiated legal proceedings against the tenant, and the tenant has vacated the property in March 2025.
- The tenant is not occupying any other property of Mr. Anup during the year.
- Municipal Taxes paid by the owner – Rs. 24,000

Express the conditions under Rule 4 of the Income-tax Rules and see if they are satisfied to claim deduction for unrealised rent.

OR

[4]

C] Mr. Swami owns a self-occupied house property for which the following details are available for the Previous Year 2024-25:

1. Municipal Value – Rs. 1,80,000
2. Municipal Taxes paid – Rs. 15,000
3. Interest on borrowed capital for construction of house property (loan taken in 2020 and construction completed in January 2023) – Rs. 1,80,000.
4. Total pre-construction interest as on 31st March 2022 – Rs. 1,20,000.

Determine his income from House Property for the Assessment Year 2025-26 under old tax regime and the new tax regime.