COM-306

GOA UNIVERSITY

T.Y.B.Com. (NEP) Semester-VI
Subject Name: Direct Tax-II

Course Title: Direct Tax-II **Course Code : COM-306**
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 the **marks** allotted.
iv) 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)**

i) Write any two incomes, chargeable to tax under the head "Profits and gains of business or profession" under section 28 of the Income Tax Act 1961.
ii) List any two conditions to be satisfied to claim the General deduction under section 37(1) about the head "Profits and gains of business or profession."
iii) Name the conditions under which the capital gains tax liability arises?
iv) State the capital assets to which a 12-month holding period is applicable, effective from 23 July 2024?
v) Mention the amount of deduction available under section 80 TTB and who is eligible to avail it.
vi) State any two donations with 100% deduction available under Section 80G of the Income Tax Act.
vii) State the provisions of 64(1)(ii) of the Income Tax Act with respect to remuneration of a spouse.
viii) State when an assessee can file a return under section 139(4) of the Income Tax Act.

Q.2.A. Ms. Vaibhavi Dabolkar, 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 office expenses	1,00,000	By Gross Profit	9,50,000
To Donation	5,600	By Income from UTI	13,000
To Salary of employees	2,89,000	By Interest on Infrastructure bonds	10,000
To Advertisement expenditure	1,16,500	By Dividend on shares	12,000
To income tax	1,12,700		

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His turnover for the previous year 2024-25 is Rs. 1,40,00,000. Out of this, Rs.90,00,000 is received through digital mode and Rs. 50,00,000 in cash. He incurred business expenses of Rs. 60,00,000.

Show how his income will be determined on a presumptive basis under section 44AD for Assessment Year 2025-26.

(04)

OR

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

i) Income from Salary Rs. 1,00,000
ii) Income from Business Rs. 2,00,000
iii) Income from other Sources Rs. 56,000

He paid Rs.20,000 as medical insurance premium for himself and his wife (both below 60 years). He paid Rs.49,000 as a medical insurance premium for his father (aged 67 years). He also paid Rs.5000 towards Preventive health check-up for self and wife.

Determine the Gross Total Income (GTI) and calculate the deduction allowable under **Section 80D** for the Assessment Year 2025-26.

(04)

Q.4.A. Ms. Akshada Verma (Age 32), suffering from 55% disability, working in a private firm, provides the following information regarding the income received by her during the P.Y. 2024-25.

a) Income from Salary Rs.1,20,000.
b) Income from House Property Rs. 13,00,000.
c) During the previous year 2024-25, she earned a profit of Rs. 11,70,000 from her business. She paid Rs. 40,000 as income tax, and out of Rs. 20,000 paid as Salary to her daughter (working as his employee), Rs.5000 was considered unreasonable.
d) Income from other sources Rs. 7,00,000.

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 (with 50% disability) Rs. 40,000
iii) She paid Interest on the loan taken for higher education Rs. 20,000
iv) Donation to Swachh Bharat Kosh (not spent by the assessee in pursuance of Corporate social responsibility) Rs.8,000.
v) She also received Interest on Savings Bank A/c (already included in income from other sources) Rs. 15000.

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

(12)

Q.4.B. Mr. Mohan Samant (age 67 years) is a resident senior citizen. During the Previous Year 2024-25 he earned the following income:

i) Interest on savings bank account Rs. 18,000
ii) Interest on fixed deposits with a bank of Rs. 55,000
iii) Interest on post office time deposits, Rs. 12,000

His Gross total Income is Rs. 1,00,000(including the above three incomes)

Apply the provisions of Section 80TTB and calculate the amount of deduction allowable to Mr. Mohan Samant for the Assessment Year 2025-26.

(04)

OR

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

Sale Consideration	Rs. 30,00,000
Date of Acquisition	02/04/2023
Cost of Acquisition	Rs. 9,60,000
Date of Sale	23/07/2024
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. Anjali Salelkar (Age 25 years), a resident in India, working in M/s. Mariyana Enterprises, Margao-Goa, provides the following particulars of her income for the previous year 2024-25.

a) Income from Salary Rs. 1,40,000
b) Income from House Property Rs. 3,00,000.
c) She earned a net profit of Rs. 8,00,000 from her business. However, Printing & Stationery already deducted includes a bill of Rs.20,000 paid by a bearer cheque to the supplier.
d) Income from other sources Rs. 3,00,000.

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

i) Life Premium on his own life policy effected during 2018-19, Rs. 20,000 (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. 24,500 during the year 2024-25.
iii) She incurred expenditure of Rs. 40,000 on the treatment and nursing of her dependent son with a 45% disability.
iv) She also received Interest on Savings Bank A/c (already included in income from other sources) Rs. 16000.

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. Santana D'souza purchases a house property for Rs. 900,000 on 30th June, 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. 1,65,000
b) Alteration/reconstruction of the property in 2017-18 Rs. 5,95,000
c) Cost of transfer Rs. 25,000

The house property is sold by her on 30th July, 2024, for Rs. 55,00,000.
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. Santana D'souza, assuming she opts for the indexation benefit (old regime).

(04)

OR

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

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(i) Income from Business X (non-speculative) - Rs. 2,40,000
(ii) Loss from Business Y (non-speculative) - Rs. 1,40,000
(iii) Loss from speculative business - Rs. 50,000

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)

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To Printing & Stationery	69,000		
To Entertainment expenses	19,200		
To provision for bad debts	15,500		
Interest on overdraft	7000		
To Depreciation	1,08,000		
To Provision for bonus	36,700		
To Net Profit	1,05,800		
	9,85,000		**9,85,000**

Additional Information

i) Salary includes Rs.2,00,000 paid to her husband which is unreasonable to the extent Rs.40,000.

ii) Entertainment expenses include Rs 10,000 incurred for arranging a birthday party of her son.

iii) Printing & Stationery includes a bill of Rs.60,000 paid by a bearer cheque to the supplier.

iv) Depreciation admissible under IT rules is Rs.88,000.

v) Advertisement expenditure includes an amount of Rs.65,000 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. Avinash Kenkre, 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	69,000	By Staff salaries	96,000
To consultation fees	2,10,000	By General expenses	13000
To Audit fees	3,20,000	By Purchase of computer	18,000
To Gift from father	5,000	By Office stationery	22,000
To fees from clients for 2024-25	28,000	By Income tax	19,000
		By Membership fees to ICAI	800
		By Advertisement expenses	15000
		By Motor car expenses	24,400
		By Son's marriage expenses	29,000
		By Office rent	12,000

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regime.

OR

[4]

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

1. Basic Salary – Rs. 5,40,000
2. Dearness Allowance (forming part of retirement benefits) – Rs. 2,80,000
3. Entertainment Allowance received – Rs. 12,000
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]

Q.4 A] Mr Kevin, a resident individual, 49 years of age is the owner of two houses. Following are the details of the houses for the year ended 31st March 2025.

Particulars	**House 1**	**House 2**
Nature of Occupation	Let Out	Self-Occupied
	Rs.	**Rs.**
Fair Rental Value	77,000	2,80,000
Municipal Value	66,000	2,20,000
Standard Rent	88,000	2,40,000
Rent per month	12,000	
Unrealised rent for the previous year 2024-25 (all conditions under rule 4 satisfied)	12,000	
Ground Rent	22,000	42,000
Loss due to vacant period	6,000	
Municipal tax (paid by the owner)	4%	4%
Interest on borrowed capital for construction of property	23,243	2,10,000
Repairs and maintenance	18,000	8,500
Loan borrowed for construction of the house in the year	2016	2020

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

[4]

B] Mrs. Sujata has received the following gifts during the year 2024-25:

i) Gift of Rs. 34,000 from her close friend.

ii) Gift of Rs. 20,000 on her birthday from her husband's friend.

iii) Gift of Rs. 1,35,000 under will of her uncle.

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

OR

[4]

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

1. A plot of land from his friend without consideration. Stamp Duty Value (SDV) – Rs.

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