

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 86
(For candidates admitted from the academic year 2023 – 2024 and thereafter)

B.COM. END SEMESTER EXAMINATION APRIL 2026
HONOURS
FOURTH SEMESTER

COURSE : MAJOR CORE
PAPER : DIRECT TAXATION
SUBJECT CODE : 23BH/MC/DT44
TIME : 3 HOURS

MAX. MARKS: 100

SECTION A				
Q. No.	Answer all questions:	(5 x 2 =10)	CO	KL
1.	Define taxable income		1	1
2.	Mr. Melvin resides in Chennai and gets Rs.10, 000 per month as basic salary Rs. 8,000 per month as DA (entering service benefits), Rs.12, 000 per month as HRA. He pays Rs. 10,000 per month as rent. Calculate taxable HRA.		1	1
3.	Find out the income from house property from the following. MRV Rs. 40,000 FRV Rs. 50,000 Standard Rent Rs. 60,000 Actual rent Rs. 6,000 p.m. The house remained vacant for two months.		1	1
4.	Mr. X provides the following details of sale of assets. Find out the indexed cost for the PY 2024-25. He purchased a residential house on 15th June 2020 for Rs.20,00,000 and sells the same on 21st June 2024 for Rs.50,00,000(C.I.I for 2020-21: 301, C.I.I for 2024-25: 363)		1	1
5.	List any two donations with its sections u/s 80		1	1
SECTION B				
Q. No.	Answer any FOUR questions :	(4 x 5 =20)	CO	KL
6.	From the following information, compute the taxable income if the assessee is a Resident, Not Ordinarily Resident and Non-Resident: a) Royalty received in Russia for technical services provided for a business carried on in London – Rs. 20,000. b) Fees from an Indian Company carrying on business at London directly deposited by the company in his bank account in India – Rs. 30,000. c) Income accrued in Bhopal but received in Singapore Rs. 10,000. d) Gift from a relative in foreign currency one third of which is received in India – Rs. 3,30,000. e) Salary from an Indian company received in Paris, one half is paid for rendering services in India – Rs. 60,000. f) Profit of a hotel business at Melbourne – Rs. 30,000 g) Agricultural income in England and received there but later brought into India - Rs. 25,000		1	2

7.	<p>Mr. C is a Finance Manager in ABC Ltd. The company has provided him with rent-free accommodation in Mumbai (Population above 40 Lakhs). He gives you the following particulars: Basic salary Rs. 6,000 p.m. Dearness Allowance Rs. 2,000 p.m. (30% is for retirement benefits) Bonus 18,000. Calculate the taxable value of the perquisite for A.Y.2025-26. Assuming the house is owned by the ABC Ltd. The company also provided with a Air conditioner in 2 rooms for six months. It was rented by the Company at the rate of Rs. 1000 p.m.</p>	1	2																														
8.	<p>Calculate income from house property of Mr. Riyaz for the PY 2024-25, who owns two houses. The details are as follows:</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 35%; text-align: center;">House I</th> <th style="width: 35%; text-align: center;">House II</th> </tr> </thead> <tbody> <tr> <td>Municipal value</td> <td style="text-align: center;">80,000</td> <td style="text-align: center;">1,00,000</td> </tr> <tr> <td>Fair rental value</td> <td style="text-align: center;">90,000</td> <td style="text-align: center;">1,10,000</td> </tr> <tr> <td>Standard rent</td> <td style="text-align: center;">85,000</td> <td style="text-align: center;">N.A.</td> </tr> <tr> <td>Actual Rent</td> <td style="text-align: center;">1,02,000</td> <td style="text-align: center;">----</td> </tr> <tr> <td>Vacancy</td> <td style="text-align: center;">2 months</td> <td style="text-align: center;">----</td> </tr> <tr> <td>Unrealized rent</td> <td style="text-align: center;">8,000</td> <td style="text-align: center;">----</td> </tr> <tr> <td>Nature of occupation</td> <td style="text-align: center;">Let out</td> <td style="text-align: center;">Self-occupied</td> </tr> <tr> <td>Municipal tax</td> <td style="text-align: center;">3,000</td> <td style="text-align: center;">2,000</td> </tr> <tr> <td>Interest on borrowed capital (due)</td> <td style="text-align: center;">8,000</td> <td style="text-align: center;">15,000</td> </tr> </tbody> </table>		House I	House II	Municipal value	80,000	1,00,000	Fair rental value	90,000	1,10,000	Standard rent	85,000	N.A.	Actual Rent	1,02,000	----	Vacancy	2 months	----	Unrealized rent	8,000	----	Nature of occupation	Let out	Self-occupied	Municipal tax	3,000	2,000	Interest on borrowed capital (due)	8,000	15,000	1	2
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9.	<p>Mr Singh retired on 31-12-2024 and his pension was fixed at Rs. 3,600 p.m. He got 3/4th of the Pension commuted for which he received Rs. 1,80,000 from his employer, a Limited Company. Find out the taxable amount of commuted value of pension if: a) he gets gratuity and b) he does not get gratuity.</p>	1	2																														
10.	<p>Mr. Narayan has the following gross total income:</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;"></th> <th style="width: 30%; text-align: center;">Rs.</th> </tr> </thead> <tbody> <tr> <td>Income from business</td> <td style="text-align: center;">6,52,000</td> </tr> <tr> <td>Income from other sources:</td> <td></td> </tr> <tr> <td>Interest on Government securities</td> <td style="text-align: center;">12,000</td> </tr> <tr> <td>Dividend from Cooperative society</td> <td style="text-align: center;">12,600</td> </tr> <tr> <td>Bank Interest</td> <td style="text-align: center;">7,000</td> </tr> <tr> <td>Interest from business firm</td> <td style="text-align: center;">6,400</td> </tr> <tr> <td>Gross total income</td> <td style="text-align: center;">6,90,000</td> </tr> </tbody> </table> <p>He donated to an approved temple Rs.8,000, to Prime Minister's National Relief Fund Rs.3,000, and to Maharashtra Government for promoting family planning Rs.2,000. He paid LIC premium on own life Rs.200. Calculate the amount of deduction under 80 G.</p>		Rs.	Income from business	6,52,000	Income from other sources:		Interest on Government securities	12,000	Dividend from Cooperative society	12,600	Bank Interest	7,000	Interest from business firm	6,400	Gross total income	6,90,000	1	2														
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11.	Explain Permanent Account Number (PAN) and its usage.	1	2																		
Q.NO.	SECTION C Answer the following questions: (4 x 10 =40)	CO	KL																		
12.	<p>A) The Following are the particulars of income of Mr. Amesh for the previous year ended on 31 March 2025. Compute his taxable income from salary for the AY 2025-26.</p> <p>i. Salary Rs.4500 p.m. ii. Bonus 10,000. iii. Educational Allowance @ Rs.200 p.m. for two children. iv. Employee's contribution to a recognized provident fund @ 15% of salary v. Employer's contribution to R.P.F @ 15% of the salary. vi Interest credited to the Recognized provident fund @ 9.5% p.a. is Rs.2,800 vii. He is provided with free lunch in office. The cost per meals Rs.30 viii. The employer has given him the use of 1.3 CC small car which he uses for personal and official purpose. Rs. 1000 p.m. running and maintenance expenses was paid by the employer.</p> <p style="text-align: center;">(Or)</p> <p>B) Compute the residential status for the PY 2024-25 of the individuals:</p> <p>i. Mr Abdul, an Indian citizen serving in Australia since 1995, had come to India on 20.06.2018, he stayed here at a stretch for three years and left for USA on 1.7.2021. He came back to India on 1.4.2022. and stayed in India till 31.07.2023 when he returned to Australia. He again came to India on 31.12.2024.</p> <p>ii. Mr Calvin is a citizen of India. He left for Iran on 14th April 2024 and could not return to India till the end of the financial year 2024-25.</p>	2	3																		
13.	<p>A) Compute the income from house property from the particulars given below for the AY:2025-26.</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: right;">Rs. (p.a.)</th> </tr> </thead> <tbody> <tr> <td>MRV</td> <td style="text-align: right;">32,000</td> </tr> <tr> <td>Actual rent</td> <td style="text-align: right;">24,000</td> </tr> <tr> <td>Municipal taxes</td> <td style="text-align: right;">3,000</td> </tr> <tr> <td>Date of completion 31.3.2021</td> <td></td> </tr> <tr> <td>Date of letting 1.4.2021</td> <td></td> </tr> <tr> <td>Fire insurance premium</td> <td style="text-align: right;">400</td> </tr> <tr> <td>Ground rent (due)</td> <td style="text-align: right;">600</td> </tr> <tr> <td>Interest on loan taken to construct the house 2018-19 to 2023-24 at Rs. 15,000 p.a. 2024-25 Rs. 10, 000.</td> <td></td> </tr> </tbody> </table> <p style="text-align: center;">(Or)</p>		Rs. (p.a.)	MRV	32,000	Actual rent	24,000	Municipal taxes	3,000	Date of completion 31.3.2021		Date of letting 1.4.2021		Fire insurance premium	400	Ground rent (due)	600	Interest on loan taken to construct the house 2018-19 to 2023-24 at Rs. 15,000 p.a. 2024-25 Rs. 10, 000.		2	3
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	<p>B) Rohit Arora furnishes the following particulars of his income for the financial year 2024-25:</p> <ul style="list-style-type: none"> • Dividend from UTI Rs. 10,000 • Net amount received as winning from Horse race Rs. 21,000 • Winning from lottery (Net) Rs. 70,000 • Interest on Punjab Government securities Rs. 20,000 • Gift from Father Rs. 50,000 • Family pension received Rs. 48,000 • He lives in a rented house paying rent @ Rs. 10,000 p.m. He has sub-let 1/3 portion of the house on a rent of Rs 4,500 p.m The municipal tax Rs. 6,000 and repairs of whole house Rs. 2,700 have been borne by him. • Income from book published in “Yojna” Rs. 4,000. Expenditure incurred on writing the book is Rs. 1,000. • Dividend declared by R Co. on 1-3-2025 Rs. 7,000 • Interim dividend paid on 1-5-2024 Rs. 3,0000. <p>Compute his income from other sources.</p>																																																														
14.	<p>A) Mr. Suresh, an advocate, furnishes the following receipts and payments for the PY:2024-25</p> <p style="text-align: center;">RECIEPTS AND PAYMENTS ACCOUNT</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: right;">Rs.</th> <th style="text-align: left;">Particulars</th> <th style="text-align: right;">Rs.</th> </tr> </thead> <tbody> <tr> <td>To Balance b/d</td> <td style="text-align: right;">6,540</td> <td>By Rent</td> <td style="text-align: right;">2,400</td> </tr> <tr> <td>To Legal Fees</td> <td style="text-align: right;">84,400</td> <td>By Telephone</td> <td style="text-align: right;">3,000</td> </tr> <tr> <td>To Salary (as a part-time law lecturer)</td> <td style="text-align: right;">3,600</td> <td>By Salaries</td> <td style="text-align: right;">2,400</td> </tr> <tr> <td>To Interest on debentures (Not listed)</td> <td style="text-align: right;">8,700</td> <td>By Subscription</td> <td style="text-align: right;">240</td> </tr> <tr> <td>To Gift from clients</td> <td style="text-align: right;">10,000</td> <td>By Travelling</td> <td style="text-align: right;">560</td> </tr> <tr> <td>To Rent</td> <td style="text-align: right;">6,000</td> <td>By Office expenses</td> <td style="text-align: right;">600</td> </tr> <tr> <td>To Interest on foreign Security</td> <td style="text-align: right;">8,000</td> <td>By court fee</td> <td style="text-align: right;">7,600</td> </tr> <tr> <td>To Refund from Compulsory Deposit</td> <td style="text-align: right;">2,000</td> <td>By Interest on loan</td> <td style="text-align: right;">870</td> </tr> <tr> <td></td> <td></td> <td>By Donation to school</td> <td style="text-align: right;">5,000</td> </tr> <tr> <td></td> <td></td> <td>By Income Tax paid</td> <td style="text-align: right;">8,420</td> </tr> <tr> <td></td> <td></td> <td>By Municipal Tax</td> <td style="text-align: right;">600</td> </tr> <tr> <td></td> <td></td> <td>By L.I.C. premium</td> <td style="text-align: right;">7,600</td> </tr> <tr> <td></td> <td></td> <td>By Balance c/d</td> <td style="text-align: right;">89,950</td> </tr> <tr> <td></td> <td style="text-align: right;">1,29,240</td> <td></td> <td style="text-align: right;">1,29,240</td> </tr> </tbody> </table> <p>a) Interest on loan is related to the construction of residential house. b) School is recognized for I.T purposes c) Gift from clients includes Rs.2000 received from his father. Compute the professional income.</p> <p style="text-align: center;">(Or)</p>	Particulars	Rs.	Particulars	Rs.	To Balance b/d	6,540	By Rent	2,400	To Legal Fees	84,400	By Telephone	3,000	To Salary (as a part-time law lecturer)	3,600	By Salaries	2,400	To Interest on debentures (Not listed)	8,700	By Subscription	240	To Gift from clients	10,000	By Travelling	560	To Rent	6,000	By Office expenses	600	To Interest on foreign Security	8,000	By court fee	7,600	To Refund from Compulsory Deposit	2,000	By Interest on loan	870			By Donation to school	5,000			By Income Tax paid	8,420			By Municipal Tax	600			By L.I.C. premium	7,600			By Balance c/d	89,950		1,29,240		1,29,240	2	3
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	<p>B) From the following profit and loss account of Ms. Lakshmi, a sole trader, compute his business income for the AY: 2025-26</p> <table border="0"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: right;">Rs.</th> <th style="text-align: left;">Particulars</th> <th style="text-align: right;">Rs.</th> </tr> </thead> <tbody> <tr> <td>To general expenses</td> <td style="text-align: right;">18,000</td> <td>By gross profit</td> <td style="text-align: right;">89,000</td> </tr> <tr> <td>To staff salaries</td> <td style="text-align: right;">7,000</td> <td>By bad debts recovered</td> <td style="text-align: right;">1,000</td> </tr> <tr> <td>To bad debts</td> <td style="text-align: right;">3,000</td> <td>By income tax refund</td> <td style="text-align: right;">4,500</td> </tr> <tr> <td>To depreciation</td> <td style="text-align: right;">4,000</td> <td>By dividend on shares</td> <td style="text-align: right;">8,000</td> </tr> <tr> <td>To advertisement</td> <td style="text-align: right;">5,000</td> <td>By dividend units of U.T.I</td> <td style="text-align: right;">5,000</td> </tr> <tr> <td>To income tax appeal</td> <td style="text-align: right;">11,000</td> <td></td> <td></td> </tr> <tr> <td>To fire insurance</td> <td style="text-align: right;">2,000</td> <td></td> <td></td> </tr> <tr> <td>To donations to N.D.F</td> <td style="text-align: right;">7,000</td> <td></td> <td></td> </tr> <tr> <td>To Patents purchased</td> <td style="text-align: right;">10,500</td> <td></td> <td></td> </tr> <tr> <td>To audit fees</td> <td style="text-align: right;">1,000</td> <td></td> <td></td> </tr> <tr> <td>To doubtful debts</td> <td style="text-align: right;">3,800</td> <td></td> <td></td> </tr> <tr> <td>To LIC premium</td> <td style="text-align: right;">5,200</td> <td></td> <td></td> </tr> <tr> <td>To net profit</td> <td style="text-align: right;">30,000</td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">1,07,500</td> <td></td> <td style="text-align: right;">1,07,500</td> </tr> </tbody> </table> <p>Additional information: 1) Patents are purchased during the year. 2) Bad debts recovered were allowed earlier. 3) Depreciation on assets other than patents is Rs.4800.</p>	Particulars	Rs.	Particulars	Rs.	To general expenses	18,000	By gross profit	89,000	To staff salaries	7,000	By bad debts recovered	1,000	To bad debts	3,000	By income tax refund	4,500	To depreciation	4,000	By dividend on shares	8,000	To advertisement	5,000	By dividend units of U.T.I	5,000	To income tax appeal	11,000			To fire insurance	2,000			To donations to N.D.F	7,000			To Patents purchased	10,500			To audit fees	1,000			To doubtful debts	3,800			To LIC premium	5,200			To net profit	30,000				1,07,500		1,07,500		
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15.	<p>A) Find out the indexed cost and capital gain in the following cases</p> <p>a) W.D.V of the office furniture as on 1.4.2024 for Rs.18,000 (which was purchased on 15.9.2008 for Rs.20,000 Sold on 1.9.2024 (C.I.I:363) for Rs.26,000)</p> <p>b) Bonds purchased on 1.11.2006 (C.I.I: 122) for Rs.2,60,000 were sold on 1.1 2025 (C.I.I: 363) for Rs. 4,00,000</p> <p>c) Cost of acquisition of house at Delhi in 1996-97 for Rs. 1,00,000 Cost of improvement made in 1999-2000 for Rs. 3,20,000 Fair market value on 1.4.2001 (C.I.I: 100) for Rs. 4,60,000 Cost of additions made in 2008-09 (C.I.I: 137) for Rs. 3,20,000 Sale price of the house on 1.4.2024 (C.I.I: 363) for Rs. 28,60,000 Expenses on sale -Rs. 60,000</p> <p style="text-align: center;">(Or)</p> <p>B) Compute the permissible deduction under Sec.80, for the previous year 2024-25 from the following details:</p> <ul style="list-style-type: none"> • Gross total income Rs.12,00,000, • Life Insurance premium paid Rs. 50,000, • Contribution to public provident fund Rs. 39,000. • He invested Rs. 10,000 in mutual fund. • He paid Rs.10,000 by cheque and Rs.5,000 by cash as medical insurance premium. • His mother is suffering from cancer and he spent Rs. 50,000 during the year for her treatment. • His minor son is mentally retarded on whose special treatment he spent Rs, 25,000 during the year. • He donated Rs. 10,000 to Karnataka State Chief Minister's Relief fund. • He gave Rs. 20,000 for repair of a notified temple and distributed clothes of the value Rs. 10,000 on his son's birthday. • He paid Rs. 30,000 as donation to Family Planning Association of India. 	3	4																																																												

Q.NO.	SECTION D Answer any one question: (1 x 15 = 15)	CO	KL																																																				
16.	<p>Ms. Saha, a pilot aged 33 years, from Jet airlines, Delhi. She is getting a salary of Rs. 48,000 per month. During the PY 2024-25, she received the following amounts from her employer.</p> <p>a) Dearness allowance (forms part of salary for retirement benefits).5,000 p.m b) CCA – Rs. 1,000 p.m. c) Bonus for the PY Rs. 52,000 d) House rent allowance – Rs. 5000 p.m. (Rent paid by her is Rs. 6000) p.m. e) Fixed Medical allowance of Rs. 48,000 for meeting medical expenditure. f) She was also reimbursed the medical bill of her father dependent on her amounting to Rs. 4,900. g) Ms. Saha was provided with a laptop both for official and personal use. Laptop was acquired by the company for Rs.35,000. h) A domestic servant at a monthly salary of Rs. 5,000 paid by her was reimbursed by her employer. i) Club bill of Rs.3000 paid by the employer j) Professional tax Rs.2,200 (out of which Rs.1,400 was paid by the employer). k) Education Allowance for Three Children – Rs. 300 p.m.pe child l) Hostel Allowance for one child – Rs. 500 p.m. m) Transport allowance Rs. 4000 p.m. n) Running flight Allowance Rs.4000 p.m</p> <p>Compute the Income taxable under the head “Salaries” of Ms. Saha for the AY 2025-26.</p>	4	5																																																				
17.	<p>The Profit and Loss Account for the year ended 31st March 2025 of Arun and Sons, proprietary concern is as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;"></th> <th style="width: 20%; text-align: right;">Dr. Rs.</th> <th style="width: 20%;"></th> <th style="width: 20%; text-align: right;">Cr. Rs.</th> </tr> </thead> <tbody> <tr> <td>To Opening stock</td> <td style="text-align: right;">50,000</td> <td>By Gross Profit b/d</td> <td style="text-align: right;">19,40,000</td> </tr> <tr> <td>To Purchases</td> <td style="text-align: right;">12,00,000</td> <td>By Closing Stock</td> <td style="text-align: right;">60,000</td> </tr> <tr> <td>To Wages</td> <td style="text-align: right;">3,00,000</td> <td></td> <td></td> </tr> <tr> <td>To Salaries</td> <td style="text-align: right;">1,00,000</td> <td></td> <td></td> </tr> <tr> <td>To Interest</td> <td style="text-align: right;">45,000</td> <td></td> <td></td> </tr> <tr> <td>To Customs duty</td> <td style="text-align: right;">12,000</td> <td></td> <td></td> </tr> <tr> <td>To General charges</td> <td style="text-align: right;">63,000</td> <td></td> <td></td> </tr> <tr> <td>To Advertisement</td> <td style="text-align: right;">53,000</td> <td></td> <td></td> </tr> <tr> <td>To Depreciation</td> <td style="text-align: right;">2,000</td> <td></td> <td></td> </tr> <tr> <td>To Income-tax</td> <td style="text-align: right;">55,000</td> <td></td> <td></td> </tr> <tr> <td>To Net Profit</td> <td style="text-align: right;">1,22,000</td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">20,00,000</td> <td></td> <td style="text-align: right;">20,00,000</td> </tr> </tbody> </table> <p>The following particulars are available:</p> <p>(a) The opening and closing stocks are valued 20% under cost. (b) Wages include a sum of ₹ 5,000 paid to the proprietor (c) Interest includes ₹ 10,000 (for the period 1-5-2023 to 31-7-2024) paid in respect of a loan taken to purchase a machinery which was installed on 1st August, 2023. (d) Customs duty includes ₹ 4,000 for clearing the machine (e) The W.D.V. of different assets as on 1-4-2024 is as follows: (i) Residential houses for employees (5% Block) ₹ 4,00,000 (ii) Factory building (10% Block) ₹ 60,000 (iii) P &M (15% Block) ₹ 3,50,000. (f) The Cost of new machine acquired and used from 1-8-2024 is ₹ 40,000.</p> <p>Compute the business income of the proprietor</p>		Dr. Rs.		Cr. Rs.	To Opening stock	50,000	By Gross Profit b/d	19,40,000	To Purchases	12,00,000	By Closing Stock	60,000	To Wages	3,00,000			To Salaries	1,00,000			To Interest	45,000			To Customs duty	12,000			To General charges	63,000			To Advertisement	53,000			To Depreciation	2,000			To Income-tax	55,000			To Net Profit	1,22,000				20,00,000		20,00,000	4	5
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	20,00,000		20,00,000																																																				

Q.NO.	SECTION E Compulsory Case Study : (1 x 15 = 15)	CO	KL
18.	<p>Mr. Deva is the manager of a company. He draws a salary of Rs. 33,000 p.m. his other incomes are</p> <ol style="list-style-type: none"> i. Interest on fixed deposits with Andhra bank Rs. 11,200 and interest credited in the saving a/c in the bank Rs. 10,000. ii. Winning from lottery Rs. 60,000 iii. Dividends from an Indian company Rs. 3,600 <p>Long-term capital gains from sale of his residential house, occupied for the last 20 years, Rs. 1,15,000. He purchased another house for his residence for Rs. 1,05,000 within four months of the transfer of his residential house. (house sold on 10.05.2024) Short term capital loss Rs 10,000 and long term capital loss from gold brought forward from the assessment year 2023-24 Rs. 20,000. The following deductions are claimed includes life insurance premium (policy for Rs 1lakh taken in 2005) Rs.14,500. Donation for Punjab university Rs.5,000. Donation to clean ganga fund set up by central govt Rs. 5,000. Education of his children Rs. 4500. Compute his total income and tax payable for the assessment year 2025-26 under old tax regime</p>	5	6
