[This question paper contains 8 printed pages.]

Your Roll No...............

Sr. No. of Question Paper : 6126 **J**

Unique Paper Code : 2922072403

Name of the Paper : Income Tax Law & Practice

Name of the Course : **BBA(FIA) (UGCF) NEP 2025**

Semester : IV

Duration : 3 Hours Maximum Marks : 90

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Use of a simple calculator is allowed.
3. **All** questions carry equal marks.
4. Attempt any **5** questions.

1. (18)

Dr. Bhatt is employed as assistant professor in a Central University in Varanasi situated in Uttar Pradesh on June 1, 2023 and furnished the following information of his income earned during the previous year ending March 31, 2024.

(i) Basic pay @ Rs. 57,700 p.m.

(ii) He gets Dearness allowance @ 34% in June 30. 38% from July to December 2023 and from January 2024 @ 42%.

(iii) He gets house rent allowance @ 27%. He lives in a rented house from August 2023 and pays rent @ Rs. 15,000 p.m. His employer provided a rent-free unfurnished flat in the month of January 2024.

(iv) He also gets transport allowance @ Rs.1,350 p.m. and applicable DA on it.

(v) His employer provided Rs. 1,00,000 as seed money to purchase equipment's for his official use.

(vi) He used his own car to perform the duties of office as well as personal work.

(vii) He contributes 10% to NPS and his employer also contributes 14% in the same.

(viii) He also contributed Rs. 80,000 to Public Provident Fund.

Compute his taxable salary and tax liability for the assessment year 2024-25 under old tax regime and new tax regime. Suggest which scheme Dr Bhatt should opt.

2. (9+9)

(a) Mr. Brown, a cricket player visits India for 100 days in every financial year. This has been his practice for the past 10 financial years. Determine his residential status for the financial year 2023-24.

(b) Sri Yellow joined a company for a salary of Rs. 50,000 p.m. on 1/4/2021. For the year 2022-23, his increment was finalized on 1/4/23 as Rs. 1,000 p.m. and for 2023-24 Rs. 1,500 p.m. Such increment is received on 5/4/2023. Further the salary of April 2024 has also been received on 15.3.2024. Find the gross salary for the PY 2023-24.

3. (18)

On July 4, 2024, Mr. Nath sells residential plot for Rs. 1,25,00,000 which was purchased on March July 10, 2004 for Rs. 15,00,000. Expenses on purchase and transfer are Rs. 5,531. To get the benefit of exemption under Section 54EC, Mr. Nath makes the following investments :

(a) He booked a residential flat and paid Rs. 50,00,000 on November 30^{th}, 2024.

(b) Purchase of Rs. 50,00,000 Indian Railway Bond on November 10, 2024.

Mr. Nath took loan of Rs. 20,00,000 keeping IRC bonds as security in the March 2024. Compute capital gains for the A.Y. 2024-25.

Financial Year (FY)	**Assessment Year (AY)**	**Cost of Inflation Index (CII)**
2001-02	2002-03	100
2002-03	2003-04	105
2003-04	2004-05	109
2004-05	2005-06	113

2005-06	2006-07	117
2006-07	2007-08	122
2007-08	2008-09	129
2008-09	2009-10	137
2009-10	2010-11	148
2010-11	2011-12	167
2011-12	2012-13	184
2012-13	2013-14	200
2013-14	2014-15	220
2014-15	2015-16	240
2015-16	2016-17	254
2016-17	2017-18	264
2017-18	2018-19	272
2018-19	2019-20	280
2019-20	2020-21	289
2020-21	2021-22	301
2021-22	2022-23	317
2022-23	2023-24	331
2023-24	2024-25	348

4. (18)

Mrs. Gupta (age 65 years) is a member of a co-operative housing society and a property is allotted by the co-operative society to her in Delhi (construction of which got completed on November 30, 2008).

(i) It is let-out to a tenant for residential purpose at monthly rent of Rs. 50,000.

(ii) Municipal Valuation of house is Rs. 3,00,000.

(iii) Fair rent is Rs. 2,90,000.

(iv) The standard rent under Delhi Rent Control Act is Rs. 2,50,000.

(v) Unrealized rent pertaining to the financial year 2021-22 is Rs. 24,000 which is realized in the previous year 2023-24. Unrealized rent pertaining to the financial year 2023-24 is Rs. 50,000.

(vi) During the previous year, the property remains vacant for 1 month.

Mrs. Gupta makes the following expenditure or investment during the previous year 2023-24 :

(i) White washing of the house Rs. 20,000.

(ii) Municipal taxes @ 10% paid by tenant and reimbursed by owner.

(iii) Interest on borrowed capital taken for construction of house Rs. 6,000.

(iv) Contribution to Public Provident Fund Rs. 1,50,000

Determine the Income from house property of Mrs. Gupta for the assessment year 2024-25.

5. (18)

Dr. Gupta (61 years) furnished the following information of his income/ payments:

	Particulars	Rs.
1.	Net Salary after deducting his contribution to NPS	6,50,000
2.	Rent received from letting-out of House property	60,000
	Municipal tax paid	2,000
	Interest on loan taken for the repair of house property	10,000
3.	Profits from business and profession:	
	i. Speculative loss	5,000
	ii. Profits from textile business	50,000
4.	Capital Gains:	
	i. Long-term capital gains	10,000
	ii. Short-term capital gains u/s111A	5,000
5.	Income from other sources:	
	i. Interest on saving bank account	2,000
	ii. Interest on fixed deposits	10,000
	iii. Interest received on tax free commercial securities	18,000
	iv. Gift from grand father	70,000
6.	His Contribution to NPS@10%	50,000
	Employer contribution to NPS @14%	56,000
7.	His contribution to Public Provident Fund	1,50,000

Compute his total income and tax liability for the assessment year 2024-25 under Alternative Tax Regime u/s 115BAC.

6. (18)

(a) What do you mean by clubbing of income? Explain the provisions of clubbing of income of a minor son.

(b) Discuss the Presumptive taxation provision 44AD.

(c) What do you mean by intra-head and inter-head set-off? Explain the provisions of set-off of house property?

7. State True or False with justification : (18)

(a) Aggregate of five heads of income, after applying clubbing provisions and making adjustments of set-off and carry forward of losses, is known as Gross Total Income.

(b) Previous year is the financial year immediately preceding the assessment year.

(c) Tax liability of an assessee depends on his/her residential status in India during the assessment year.

(d) Salary income is taxable on the 'due basis' or 'receipt basis,' whichever occurs latter.

(e) Advance salary paid by the employer to the taxpayer is related to previous year.

(f) Loss under the head 'Income from house property' can be set-off against any heads of income in the relevant previous year.

(g) No depreciation is allowed on that asset which is purchased and sold during the same Financial Year.

(h) Capital gains arise when there is a 'transfer' of a Capital Asset effected in the assessment year.

(i) Interest received on government securities is always grossed-up.