[This question paper contains 8 printed pages.]

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

Sr. No. of Question Paper : 1548 **L**

Unique Paper Code : 2922072403

Name of the Paper : Income Tax Law & Practice

Name of the Course : **BBA (FIA) NEP 2026**

Semester : IV

Duration : 3 Hours Maximum Marks : 90

<u>Instructions for Candidates</u>

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.
5. Parts of every question must be answered together.

1. (18)

Shri Chandra is working with ABC Ltd. where he receives a monthly salary of ₹1,50,000. Additionally, he is entitled to an entertainment allowance and commission, each amounting to ₹5,000 per month.

The employer extends several perquisites and facilities to him which are outlined below :

- He has been allotted a residential accommodation in Delhi owned by the company. Additionally, furniture valued at ₹2,40,000 was provided to him on 1st August 2024. On the same date, i.e., 1st August 2024, the company granted him a personal loan of ₹5,00,000 at an interest rate of 6.75% per annum. The loan remains unpaid during the year. (The prevailing SBI lending rate is assumed to be 12.75%.)

- On the occasion of his birthday (21st September 2024), the company gifted him a ring worth ₹15,000.
- The employer settled his credit card expenses of ₹12,000 along with the annual fee of ₹2,000.
- His son has been permitted to use a motorcycle owned by the company. The motorcycle was acquired by the company on 1st May 2024 for ₹60,000, with depreciation applicable at 10%. Subsequently, the vehicle was transferred to Mr. Chandra on 31st March 2025 for ₹30,000.
- A small motor car is also provided to him for both official and personal use. However, the running and maintenance expenses amounting to ₹36,000 are borne by him.
- The telephone expenses for the connection installed at his residence, amounting to ₹18,000, are paid by the employer.
- Expenses incurred on hotel accommodation during official tours, totaling ₹30,000, are reimbursed by the company.
- Lunch is provided to him during working hours for 20 days in a month for 12 months, with a total cost to the employer of ₹12,000.
- The company also bears electricity expenses amounting to ₹10,000 pa.
- Professional tax of ₹2,000 has been paid by Mr. Chandra.

- Tax deducted at source (TDS) by the employer amounts to ₹3,70,000.
- Additionally, he has paid advance tax of ₹5,400 during the year.

Compute his taxable salary for the assessment year 2025-26 under new tax regime u/s 115BAC.

2. (18)

Mr. Nathu transferred a house property without adequate consideration to his spouse Mrs. Gupta. She lets out the house property to a tenant and submits the following particulars related to the previous year 2024-25:

Municipal valuation Rs. 1,25,000, Standard Rent Rs. 1,40,000, Rent of similar building Rs. 1.35.000.

Rent received Rs. 2,10,000 including hire charges for the furniture provided to the tenant Rs. 30.000,Municipal taxes Rs. 25,000, Interest paid on loan taken to construct the house Rs. 63,500.

Discuss who is the owner of the house property and why? Compute the income from house property for the assessment year 2025-26 under Section 115BAC.

3. (18)

Mr. Dev sold the following assets during the Previous Year 2024-25 :

1. Sale of Commercial Building
    - Sold for ₹80,00,000 on 5 July 2024

- Stamp duty value: ₹95,00,000
- Expenses on transfer: ₹1,50,000
- Purchased on 12 June 2010 for ₹20,00,000

2. Sale of Listed Equity Shares (STT paid)
    - Sold for ₹6,00,000 on 10 January 2025
    - Purchased on 1 April 2022 for ₹2,50,000

3. Sale of Unlisted Debentures
    - Sold for ₹9,00,000 on 20 December 2024
    - Purchased on 1 April 2018 for ₹4,00,000

4. Sale of Jewellery
    - Sold for ₹7,50,000 on 15 February 2025
    - Purchased on 1 April 2013 for ₹3,00,000

    Additional Information:

    - Mr. Dev purchased a new residential house on 28 March 2025 for ₹25,00,000
    - He does not own any other residential house on the date of transfer
    - He deposited ₹5,00,000 in Capital Gains Deposit Account Scheme (CGAS)

Compute taxable capital gain for AY 2025-26 as per old tax regime.

P.Y.	CII	P.Y.	CII	P.Y.	CII	P.Y.	CII
2001-02	100	2008-09	137	2015-16	254	2022-23	331
2002-03	105	2009-10	148	2016-17	264	2023-24	348
2003-04	119	2010-11	167	2017-18	272	2024-25	363
2004-05	113	2011-12	184	2018-19	280	2025-26	376
2005-06	117	2012-13	200	2019-20	289		
2006-07	122	2013-14	220	2020-21	301		
2007-08	129	2014-15	240	2021-22	317		

4. (18)

Compute taxable income under the head Income from Other Sources of Mr. Jyani for the assessment year 2025-26 from the following data :

Particulars	Rs.
a. Dividend (net)	2,100
b. Interest on Central Govt. Tax-free Security	2,000
c. Interest on Tax-free Commercial security	1,800
d. Private tuition fee received	10,000
e. Winning from lottery–Net	2,100
f. Award from KBC (a TV show) [Gross]	3,20,000
g. Award from Indian Idle (a TV show) [Gross]	25,000
h. Family Pension from employer of deceased husband	27,000
i. Interest on bank term deposit	25,000
j. Interest on post-office saving account	5,000
k. Directors fee (Gross)	5000
l. Letting out of vacant land	25,000
m. Remuneration for checking the examination copy of employer's school	10,000
n. Remuneration for checking the examination copy of C.A.	10,000
o. Paper setting of UPPSC	21,000

p. Income tax refund	5,000
q. Interest on Income tax refund	500
r. Composite rent (related expenditures are Rs. 5,000)	10,000
s. Rent on sub-letting of house property (rent paid to original owner Rs. 12,000)	20,000

5. (18)

Mr. Krish, aged 45 years, a resident individual, furnishes the following details of his income for the financial year 2024-25. He opts for the new tax regime under Section 115BAC. Compute his tax liability for the assessment year 2025-26.

Particulars	Rs.
1. Income from Salary	11,40,000
1. Income from House Property: a. Let-out property: • Gross annual rent • Municipal tax paid • Interest on home loan	 3,60,000 30,000 3,50,000
2. Profits and Gains of business or profession u/s44AD	1,50,000
3. Capital Gains: • Long-term Capital Gains u/s 112A • Short-term Capital Gains u/s111A	 1,45,000 60,000
4. Income from other sources: • Dividend income • Interest on fixed deposits • Winning for lotteries (Net) • Interest on post office saving account (double)	 7,000 50,000 7,000 10,000

6. (9+9)

(a) Discuss the concept of presumptive Taxation? Who is eligible, and what is the presumptive rate of income?

(b) Explain with reasons whether the following losses can be set-off under inter-head adjustment in the same assessment year :

(i) Speculative business loss

(ii) Long-term capital loss

(iii) Loss from owning and maintaining race horse

7. (9×2=18)

State True or False with justification :

(i) Amount paid in aggregate of Rs. 20,000 to one person in a day is disallowed.

(ii) Rebate is calculated after calculating surcharge.

(iii) An Indian citizen working in Canada for 60 days in a financial year will be considered a not ordinarily resident.

(iv) Exemption of section 54EC is available when long term capital asset is sold and qualified bonds are purchased.

(v) Deduction under section 80CCD is available under new tax regime.

(vi) Losses are first set off inter head then intra head.

(vii) Benefit of indexation is available for the capital assets sold after Nov

2024.

(viii) Income of minor child is always clubbed in the income of the parents.

(ix) ITR-1 is also called Sahej.