DCBC602

Reg. No. | | | | | | | | |

VI Semester B.Com. (Regular) B.D.A./L.S.C.M./A.&F./T.T.M./I.A.S/B.Com. Tourism Degree Examination, June/July - 2026

COMMERCE

Income Tax Law and Practice - II

(NEP Scheme Freshers and Repeaters)

Paper : 6.2

Time : 2½ Hours **Maximum Marks : 60**

Instructions to Candidates :

Answers should be written in English only.

SECTION - A

Answer any Five of the following sub-questions. Each sub-question carries Two marks. (5×2=10)

1. a) Define profession.
   b) Mention any two donations that are exempted at 100% of contribution u/s 80G .
   c) What is short-term capital gain?
   d) State any two casual income.
   e) Give the meaning of intra head set off.
   f) Write the meaning of setoff and carry forward of losses.
   g) List any two personal assets.

SECTION - B

Answer any Four of the following questions. Each question carries Five marks. (4×5=20)

2. Sri. Nani furnishes the following particulars of the income for the previous year 2024- 2025 . Compute income from other sources
   a) Received a gift of Rs.51,000 from his father
   b) Received a gift of Rs.61,000 from his friend
   c) Investment of Rs.50,000, 12%Tax-free Karnataka Government Securities
   d) Income from undisclosed sources Rs.10,000
   e) Dividends on preference share Rs.3,200
3. Smt. Sharada sells the following assets during the financial year 2024-25:
   a) The gold ornament was acquired on 10-05-2023 for Rs.2,00,000, and she spent Rs.20,000 to improve it. On 01-02-2025, due to a family emergency, she has to sell the ornament for Rs.3,10,000.
   b) Land purchased on 10-05-2023 for Rs.50,50,000 and sold the same land for Rs.70,00,000 on 01-02-2025. She paid a commission of 1% on the sale price of the residential house. Compute her taxable Capital Gain for the AY 2025-26 .
4. Write short notes on the following:
   a) Setoff and carry forward of Business Loss.
   b) Setoff and carry forward of Loss from House Property.

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5. Sri. Ranga provides you with the following information:
   a) Income from Salary (Computed) Rs.6,00,000
   b) Income from Profession (Computed) Rs.6,00,000
   c) Contribution to RPF Rs.24,000 & Tution fee Rs.12,000
   d) Payment of life insurance premium Rs.30,000 & Medical insurance premium on entire family (Self, Spouse & Children) Rs.20,000
   e) Donation to the Swachh Bharat Kosh Rs.10,000 & Prime Minister's National Relief Fund Rs.20,000. Calculate total income from the above information for AY 2025- 26.

6. From the following details, identify the total amount of Admissible and inadmissible expenses.

Expenses	**Rs.**
Salaries	1,00,000
Donation to the temple	50,000
Provisions for Bad Debts	5,000
Patents Purchased	5,00,000
Excess of depreciation	10,000
Payment of House Rent	1,00,000
Computer purchased	50,000
Audit fees	20,000
Provisions for taxation	20,000
Interest on capital	10,000

SECTION - C

Answer any Two of the following questions. Each question carries Twelve marks. (2×12=24)

7. Sri. Ram, a trader, furnishes the following information for the year ending 31-03-2025 (ignore new tax regime).

Particulars	**Rs.**	**Particulars**	**Rs.**
To General expenses	4,80,000	By Gross Profit	22,00,000
To salary of staff	2,40,000	By Commission	40,000
To Salary to Ram	1,20,000	By Bad debts recovered (earlier allowed)	60,000
To Interest on Capital	60,000	By Interest on listed debentures	1,00,000
To Interest on overdraft	40,000		
To extension of building	1,50,000		
To Interest on loan	40,000		
To Depreciation	1,20,000		
To Travelling expenses	80,000		
To Audit fees	72,000		
To Fire insurance	78,000		
To Bonus to staff	1,00,000		
To Contribution to RPF of employees	1,22,000		
To Advertisement	2,00,000		
To Reserve for bad debts	60,000		
To Bad debts written off	90,000		
To Net Profit	3,48,000		
	24,00,000		**24,00,000**

Additional Information:

a) Depreciation was allowable as per IT rules, Rs.1, 40,000

b) Income of Rs.60,000 accrued in the previous year was not entered in P& L Account.

c) Loan was borrowed for business purposes.

d) General expenses include the salary paid to a domestic servant of Rs.40,000
Compute taxable income from Business for the AY 2025-26

8. Sri. Naik is a Chartered Accountant and provides you with the following Receipts and Payments for the year ending 31-03-2025 (ignore new tax regime)

Receipts	Rs.	Payment	Rs.
To balance b/d	20,000	By Office rent	1,33,000
To Audit fees	3,00,000	By Salary to Staff	75,000
To Financial Consultancy service	60,000	By Telephone expenses	10,000
To Interest on bank deposits	22,000	By Electricity & Water	28,000
To Dividends on Units of UTI	6,000	By Charities	15,000
To Accountancy Works	32,000	By Gifts to relatives	6,000
		By subscription to journals	10,400
		By Computer purchased	70,000
		By Car expenses	24,000
		By office expenses	20,000
		By Household expenses	8,600
		By Balance c/d	40,000
	4,40,000		**4,40,000**

Additional Information:

a) The car is used equally for official and personal purposes.

b) Depreciation on the car for official work is Rs.500, and on the Computer, it is 40%.

c) Rs.1,000 is paid towards the domestic servant's salary and is included in the staff salary.

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9. Smt. Srikala provides the following income. You are required to compute income from other sources for the PY 2024-25 (ignore the new regime).

   a) Interest on FD in a Bank Rs.14,000

   b) University remuneration for working as an examiner is Rs.6,000

   c) Royalty earned from writing books is Rs. 22,000, and he claims to have spent Rs.2,000 on writing books

   d) Dividends received (gross) Rs.6,000

   e) Winnings received from horse race (net) Rs.2,10,000

   f) Investment in 12% Rs.50,000 Debentures (Listed) of Gennext Coffee Company

   g) Interest on National Development Bonds Rs.5,000

   h) Family pension received Rs.36,000

SECTION - D

Answer any One of the following question. This question carries Six marks. (1×6=6)

10. Mention the procedure involved in the computation of income from a profession.

11. List any six deductions available under section 80 for individual assesses.