

SNCC
Assignment – 25-26
Semester-3
Taxation - 1
Course Code – DSC C TAX 233

Unit-1

1. Explain Merits and Demerits of Direct Taxes.
2. Short note: (1) Previous year, (2) Tax planning, (3) Company, (4) Casual Income, (5) Objectives of tax planning.
3. Explain Casual Income with illustration and state its exceptions.
4. What is meant by Agriculture Income? Give four illustration of Non-agriculture Income.
5. Explain term: Assesse.
6. Write a note on Tax avoidance.
7. SN on -Payment of Income Tax; Advance Income Tax; Permanent Account number

Unit-2

1. When is an individual considered a “Resident”, “Ordinary resident” and “Non-resident”?
2. Ms. Asha, a citizen of India, left India for the first time to take up a job in England. She visits India for the periods mentioned below:

Previous Year	Days Stayed in India
2018-19	85 days
2019-20	190 days
2020-21	180 days
2021-22	150 days
2022-23	200 days
2023-24	210 days
2024-25	195 days

Determine her residential status for the Assessment Year 2025-26.

3. What will be your answer if she has stayed in India for only 180 days during the Previous Year 2024-25?

Income Source	Amount (₹)
(i) Interest on Japan Development Bonds (one-third is received in India)	2,70,000
(ii) Income from agriculture in Bangladesh received there but later remitted to India	93,000
(iii) Income from property in London received outside India	5,50,000

(iv) Income earned from business in Germany controlled from Delhi (₹ 25,000 is received in India)	65,000
(v) Interest on Fixed Deposit paid by an Indian Company but received outside India	40,000
(vi) Profits from a business in Ahmedabad managed from outside India	13,27,000

4. Shri Bradman, a Non-Resident, furnishes the following particulars of income earned during the Previous Year relevant to the Assessment Year 2025-26:
Determine the total taxable income of Shri Bradman for the Assessment Year 2025-26 based on the given information.
Calculate his gross total income for A.Y. 2025-26. If he Non-Resident, Ordinary Resident, or Resident but not an ordinary resident.
5. Mr. Kohali, a citizen of India, has been a manager of an Indian company since 1st May 2020. He regularly visited England for company work and spent the following days in England during the last five years:

Previous Year Ending	Number of Days Stayed in England
31-03-2021	318 days
31-03-2022	150 days
31-03-2023	271 days
31-03-2024	310 days
31-03-2025	295 days

Determine Mr. Kohali's residential status for the Assessment Year 2025-26.
(Note: Before 1st May 2019, he had never traveled abroad.)

6. The following are the incomes of Mr. Vikrambhai during the Previous Year 2024-25:

Particulars	Amount (₹)
(1) Salary (taxable)	2,40,000
(2) Interest on Bank Deposit (₹ 1,20,000 is received from a Foreign Bank)	1,60,000
(3) Profit from Business in New York (Business is controlled from India)	3,75,000
(4) Pension from a former employer in India received in New York	2,50,000
(5) Agricultural income earned in New York	2,80,000
(6) Profit from business in Bombay (controlled from New York; 50% of the profit is received in New York)	2,80,000

Determine the total gross income of Mr. Vikrambhai for the Assessment Year 2025-26 in the following scenarios:

- If he is an Ordinary Resident (ROR).
 - If he is a Resident but Not Ordinarily Resident (RNOR).
 - If he is a Non-Resident (NR).
7. Write Short note on:
- Exempted Income
 - Agriculture Income
 - Exempted income of a non-resident of Indian Origin

Unit - 3

- Write Short not on:
 - Head of Income
 - Taxability of Gratuity
 - Perquisites
 - House Rent Allowance
 - Incomes are included under the heading 'Salaries'.
- The total gross income of Shri Kalpanath Roy for the accounting year 2024-25 amounts to ₹7,50,000. Compute the amount of deduction available under Section 80C of the Income Tax Act from his total gross income based on the following information:

Particulars	Amount (₹)
(1) Employee's contribution to Recognised Provident Fund (15% of basic salary)	14,500
(2) Premium paid on his life insurance policy (taken before 1-4-2012) of ₹40,000	9,000
(3) Paid into Public Provident Fund (PPF) Account	70,000
(4) Contribution under ULIP of LIC	12,000
(5) Investment in eligible shares of a power sector company	43,000
(6) Deposit placed with SBI for a 5-year period	16,000

Compute the deduction under Section 80C available for the Assessment Year 2025-26.

- Shri Vinodbhai, a specified employee, has furnished the following particulars of his salary income for the year ended 31-03-2025:

Salary Component	Amount (₹)
Basic Salary	20,000 p.m.
Dearness Allowance	5,000 p.m.
Entertainment Allowance	1,000 p.m.
Project Allowance	5,000 p.a.
Education Allowance (for 3 children)	6,400 p.a.
Commission	9,000 p.a.

Additional benefits provided by the employer:

- Free furnished house (owned by the employer):
 - Cost of furniture: ₹1,20,000
- Domestic appliances (not owned by the employer):

- Hire charges paid by the employer: ₹6,000 p.a.
- Motor car (1.5 liters cubic capacity) for personal purposes:
 - Expenses paid by the employer: ₹18,000 p.a.

Compute the taxable value of the perquisites to be included in the gross salary under the following circumstances:

1. If the house is in a city having a population of more than 40 lakhs.
2. If the house is in a town having a population of less than 10 lakhs.

4. Vishwam joined a company on 1st April 2022 as an accountant with a salary scale of ₹18,000-1,000-30,000. Annual increments are due on 1st April. He is a specified employee and provides the following details for the year ending March 2025:

Particulars	Details
Basic Salary	₹18,000 (as of 1st April 2022)
Dearness Allowance (DA)	40% of Basic Salary
Contribution to Recognized Provident Fund (RPF) by both	12% of Salary
City Compensatory Allowance (CCA)	₹2,000 per month
Interest credited to RPF @ 12% p.a.	₹2,400
House Rent Allowance (HRA)	₹1,000 per month
Entertainment Allowance	₹1,000 per month
Tour and Travelling Allowance	₹24,000 (₹8,000 are saved)
Car provided (1.8 cc) partly for private and partly for office use. All expenses are met by the employee.	
Free education for 2 children in a company-run school (average monthly cost per child in a similar school)	₹1,000 per child
Gas and water facilities provided by the company	₹6,000
Leave encashment received in cash	₹16,000
Free lunch provided on 200 working days (cost per lunch ₹100)	
The telephone facility was paid for by the company	₹600 per month
Professional tax paid	₹2,400
House rent paid by Vishwam	₹36,000

Compute the taxable salary for the Assessment Year 2025-26.

5. Mr. Sameer Pandya is working as a Sales Manager at Natraj Ltd. The details of his salary income for the year ended 31st March 2025 are as follows:
 - a. He is entitled to a commission of 1.5% of sales effected by him. The sales effected by him during the previous year amounted to ₹30,00,000.
 - b. Dearness allowance (forming part of salary): ₹10,000 per month.
 - c. Bonus: ₹35,000 (one month's basic salary).

- d. Hostel and Education Allowance: ₹1,000 per month (He has two children, and only one child is studying in a hostel).
- e. Diwali gift received from the employer: ₹6,100.
- f. Employee's contribution to the Recognized Provident Fund (RPF) is ₹7,450 per month. The employer also contributes an equal amount.
- g. Interest credited to RPF @ 12%: ₹24,000.
- h. A residential house in Ahmedabad (population more than 40 lakhs) is provided by the company, for which the company pays a monthly rent of ₹10,000. Furniture costing ₹6,42,590 has also been provided by the company. ₹1,000 per month is deducted from his salary for the said facility.
- i. A car of 2000 cc has been provided along with a driver for both office and private use.
- j. Mobile facility provided by the company for which ₹10,000 is paid.
- k. The company has paid medical bills on behalf of Mr. Sameer amounting to ₹22,000.
- l. Professional tax paid by Mr. Sameer: ₹2,400.

Compute the taxable salary for the Assessment Year 2025-26.

Unit-4

1. State provisions for interest on borrowed capital for house property.
2. Mention the taxability of income, when housing property sublet by a tenant.
3. Mention the specific deduction allowed from the "Net Annual Value" for let out housing property.
4. Short note: - Unrealized Rent and Standard Rent
5. Write a note on deduction allowed for interest on borrowed capital.
6. Give two illustration of housing property income exempted from tax.
7. Sums (As per 25-26 edition) – 29-Mr. Kumar; 21-Shree Ketan; 22-Mr. Sehvag; 18-Shri Rajnikant