Total No. of Questions : 5]

SEAT No. :

PE-3472

[Total No. of Pages : 3

[6525]-221
S.Y.
OE-202-COM T : INCOME TAX ACT III
(2024 Pattern) (Semester - III) (Paper - III) (Open Elective)

Time : 2 Hours] *[Max. Marks : 35*

Instructions to the candidates:

1) ***Questions No.1 and 5 are Compulsory.***
2) ***Attempt any Two Questions from Question No. 2 to 4***
3) ***Use of a calculator is allowed.***

Q1) **Fill in the blanks by selecting a suitable choice.** **[5]**

i) Business income is chargeable to tax under Section _____ of the Income Tax Act.

a) 28 b) 24

c) 32 d) 40

ii) Cash payments above _____ are disallowed under Section 40A(3).

a) ₹ 10,000 b) ₹2,000

c) ₹ 20,000 d) ₹50,000

iii) Under Section 44AE, income is computed on a presumptive basis for businesses engaged in _____

a) Teaching b) Transportation

c) Banking d) Consultancy

iv) While computing business income, personal expenses are _____.

a) Allowed b) Disallowed

c) Deferred d) Doubled

v) Capital gain is exempt if the amount is invested in a residential house under Section _____.

a) 80C b) 87A

c) 54 d) 115BB

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Q2) Explain the expenses that are specifically allowed and disallowed while computing business income. **[10]**

Q3) Distinguish between short-term capital gains (STCG) and long-term capital gains (LTCG). Explain with suitable examples. **[10]**

Q4) **Write short notes (Any 2) :** **[2 × 5 = 10]**

a) Indexed Cost.

b) Computation of Income from Business or Profession.

c) Exemptions from Capital Gains under Section 54 to 54F

d) Deemed Profits chargeable to tax.

Q5) The following is the profit or loss Account of Mr. Harshvardhan for the year ending on 31st March 2025. **[10]**

Profit and Loss A/C for the year ended 31st March 2025

Particulars	Amount	Particulars	Amount
To Salary	1,25,000	By Gross Profit	3,00,000
To General Expenses	12,500	By Commission	30,000
To Conveyance	1,250	By Sundry Receipt	3,000
To Postage	125	By Gift from Friend	12,000
To Depreciation	25,000	By Interest on Fixed Deposit	23,075
To Computer Stationery	2,500	By Bad Debts Recovered	10,000
To Construction of canteen	15,700		
To Donation to an Educational Institute	10,500		
To GST	25,000		
To RDD	2,500		
To Net Profit	1,58,000		
Total	**3,78,075**	**Total**	**3,78,075**

a) Salary includes Rs. 12,500 paid to Mr. Harshvardhan

b) General Expenses include Rs. 5,850 as the gift given to a friend on his marriage ceremony.

c) Depreciation allowed as per income tax rule is amounted to Rs. 22,000.

d) GST include Rs. 2,500 as penalty for evasion of Goods and Service tax.

Compute Taxable income from business of Mr. Harshvardhan for the A.Y. 2025-26.

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OR

Mr. Devraj Patil purchased a plot of land in April 2004 for Rs. 2,00,000. He sold it in April 2024 for Rs. 12, 00,000. Also he purchased shares for ₹ 40,000 in January 2024 and sold them for ₹ 65,000 in August 2024.

Compute the Long-Term and Short-Term Capital Gain for the Assessment Year 2025- 26, assuming the following cost Inflation Index (CII) values: CII for 2004-05 = 113 and CII for 2023-24 = 348. **[10]**

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