

2025

TAXATION-I — HONOURS

Paper : CC-4.1Ch

Full Marks : 80

The figures in the margin indicate full marks.

*Candidates are required to give their answers in their own words
as far as practicable.*

Group - A

1. (a) Distinguish between heads of income and sources of income.
(b) Determine the status of the following persons :
(i) CAA, an alumni association of students
(ii) Abir Chatterjee.

3+2

Or

State whether the following incomes are treated as agricultural income for the purpose of income tax :
1×5

- (i) Profit earned from sale of wild grass of spontaneous growth.
(ii) Remuneration received from an agricultural farm whose entire income is derived from agricultural operations.
(iii) Income earned from the sale of tea grown and manufactured by the assessee.
(iv) Income by way of selling rice produced from the paddy purchased by the assessee.
(v) Rent received by way of leasing land for grazing of cattle required for agricultural operations.
2. Mr. Raman, an American citizen, came to India for the first time on August 01, 2020 and left India on November 30, 2021. Again he came to India on August 1, 2024 for employment purpose and left India on November 30, 2024.

Determine his residential status for the assessment year 2025-26. During the year 2024-25, Mr. Raman earned income from profession in India but received in USA ₹ 2,00,000. Is the income taxable in India for the A.Y. 2025-26?
4+1

3. From the following information, compute income from other sources of Mrs. Roy for the A.Y. 2025-26 :
5
- (i) Family pension received @ ₹ 3,500 p.m.
(ii) Winning from lottery (net after deduction of tax @ 30%) ₹ 70,000.
(iii) Interest on Post Office Savings Account ₹ 2,000.
(iv) Dividend received from an Indian Company ₹ 10,000.

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(2700)

4. From the following incomes and losses for the previous year 2024-25, compute the gross total income of Mr. Kardata and losses to be carried forward for the A.Y. 2025-26 : 5

	₹
Income from Business A (non-speculative)	1,75,000
Loss from Business B (speculative)	(-) 80,000
Long-term capital loss on sale of land	(-) 60,000
Short-term capital gain on sale of land	95,000
Loss from House Property	2,20,000

Or

- From the following particulars, compute the total income of Mr. Sudipto Roy for the A.Y. 2025-26 : 5

	₹
Income from Business	2,50,000
Income of minor daughter (who is a dancer by profession)	50,000
Mr. Roy's wife is a government employee and her income computed under the head salaries	1,80,000
Interest on fixed deposit with SBI in the name of minor daughter of Mr. Roy	20,000
Winning from lottery (Gross)	50,000

Group - B

5. From the following Profit and Loss Account and other relevant information, compute income from business of Mr. Avijit Ghosh for the assessment year 2025-26 : 10

Particulars	Amount (₹)	Particulars	Amount (₹)
To Opening stock	22,000	By Sales	6,50,000
To Purchases	2,00,000	By Dividend from foreign company	5,000
To Salaries	40,000	By Bad debt recovered	35,000
To Business expenses	5,500	(Disallowed in 2023-24)	
To Income tax	4,000	By Bank Interest	20,000
To Fines paid to Excise Dept.	10,000	By Closing stock	66,000
To Provision for Bad debts	5,000		
To Depreciation	22,000		
To Donation to Puri temple	10,000		
To Travelling expenses	23,000		
To Advertisement	12,000		
To Net Profit	4,22,500		
	7,76,000		7,76,000

Additional Information :

- (i) Both opening and closing stock have been valued at 10% above cost.
- (ii) Business expenses include (I) Wages @ ₹ 300 p.m. to his domestic servant (II) Life insurance premium of ₹ 1,200 on his own life.
- (iii) Purchases include a payment of ₹ 45,000 made in cash.
- (iv) Depreciation as per IT Rule ₹ 27,000.
- (v) Sales include ₹ 20,000 being the value of goods withdrawn by the proprietor, cost of which is ₹ 18,000.

Or

- (a) The information given below relates to ABC Ltd. Compute allowable depreciation and Capital loss / gain (if any) for the P.Y. 2024-25 and the WDV of the block of assets as on 31.03.2025 :

	Machinery (₹)	Motor Car (₹)
WDV as on 01.04.2024	4,10,000	2,00,000
Purchases during 2024-25	1,00,000	75,000
Sales during 2024-25	50,000	3,00,000
Rate of Depreciation	@ 15%	@ 15%

Other information :

Purchase of machinery includes one machine costing ₹ 60,000 purchased on 10.10.2024.

- (b) Ms. Ishita is engaged in the business of manufacture of silk sarees. She furnishes the following particulars for the previous year 2024-25 :

	₹
(i) Amount paid to IIT Kharagpur for an approved scientific research programme related to her business.	3,00,000
(ii) Purchased machinery for in-house research	2,00,000
(iii) Purchased a land in Murshidabad for in-house research	10,00,000
(iv) Revenue expenditure incurred for in-house research	80,000
(v) Amount paid to ISI for statistical research not related to her business	1,50,000

Compute deduction available u/s 35 under the head profits and gains of business or profession.

(3+2)+5

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6. (a) From the following information, calculate the amount of deduction allowable u/s 80GG of Mr. Bala (Age 50 years) for the assessment year 2025-26 :

₹	
Business income	7,95,000
Interest on Fixed Deposit	25,000
Deduction u/s 80C	50,000
Rent paid by Mr. Bala ₹ 5,000 per month (Ignore Sec. 115 BAC).	

- (b) State the amount of Rebate available u/s 87A (Ignore Sec. 115 BAC) in the following two cases :
- (i) Taxable income ₹ 4,50,000
 - (ii) Taxable income ₹ 5,50,000.

[Note : Age of the assessee is 50 years].

7+(2+1)

7. Mr. Debabrata Mukherjee furnishes the following information for the previous year 2024-25 :

	Residential House Property at Kolkata	Gold
Date of acquisition	October 12, 2008	May 18, 2019
Cost of acquisition	₹ 7,50,000	₹ 9,00,000
Date of Sale	July 15, 2024	July 5, 2024
Sale proceeds	₹ 40,00,000	₹ 35,00,000
Brokerage	2% on Sale	1% on Sale

During the previous year 2024-25, Mr. Mukherjee purchased a residential house property at Dumdum for ₹ 13,50,000. Compute his taxable income from capital gains for the assessment year 2025-26.

[CII : 2008-09 : 137, 2019-20: 289; 2024-25 : 363].

5+5

Or

- (a) What do you mean by short-term capital asset?
- (b) State whether the following items are capital asset or not u/s 2(14) :
 - (i) Stock of raw-materials held for business purpose.
 - (ii) Motor car held for personal use.
 - (iii) Agricultural land situated in a municipality having population of 25,000.
- (c) Mention any one case when cost of acquisition is nil.
- (d) State whether the following assets are short-term capital assets or long-term capital assets :
 - (i) Jewellery purchased on June 15, 2021 and sold on November 15, 2024.
 - (ii) Shares in Lions Ltd. (listed) purchased on March 15, 2024 and sold on January 25, 2025.
 - (iii) Shares in Tigers Ltd. (unlisted) purchased on January 1, 2022 and sold on May 22, 2024.

3+3+1+3

Group - C

8. Ms. Shirin, a salaried employee, furnishes the following details for the previous year 2024-25 :
- (i) Basic salary @ ₹ 50,000 p.m.
 - (ii) Dearness allowance @ 50% of basic salary.
 - (iii) House rent allowance @ ₹ 5,000 p.m. She stayed in a rented house in Kolkata paying a monthly rent of ₹ 7,000.
 - (iv) Children education allowance received @ ₹ 500 p.m. She has three children.
 - (v) Medical expenses reimbursed by the employer ₹ 20,000.
 - (vi) Professional tax paid by her ₹ 4,000.
 - (vii) She contributes 15% of salary to recognised provident fund. Her employer also makes a matching contribution.
 - (viii) Interest credited to recognised provident fund @ 12% p.a. amounted to ₹ 9,600.
 - (ix) Her employer provided a 1200 c.c. car. She used the car both for official and private purposes. All expenses are borne by her employer.
- Compute income from salary of Ms. Shirin for the assessment year 2025-26. 15

Or

- (a) Mr. Abasar is entitled for a pension of ₹ 10,000 per month with effect from 1st July, 2024. He commuted 60% of his pension and received ₹ 2,00,000 as on 1st November, 2024. He also received gratuity of ₹ 3,00,000. Mr. Abasar is not covered by the payment of Gratuity Act.
Compute his taxable pension.
 - (b) Shyamal Mondal retired on February 8, 2025 from a private company after completion of 30 years and 9 months of service. According to the service rules, he was entitled to 25 days leave for each completed year of service. Leave actually availed by him during his service life is 8 months. His basic pay was ₹ 1,00,500 from April 1, 2024 and D.A. @50% of basic pay. He received ₹ 19,00,000 from leave encashment.
Compute the amount of leave salary chargeable to tax for the assessment year 2025-26. 6+9
9. Mr. Manoj Choudhury owns three houses in Patna. He furnishes the following particulars for the previous year 2024-25 :
- House No. 1** : The house was constructed in 2022 and let out to a tenant at a rent of ₹ 25,000 per month. He has paid ₹ 27,000 as municipal tax @ 10% of municipal value. He paid fire insurance premium of ₹ 17,000 and interest on loan taken for repairs ₹ 20,000.
- House No. 2** : Ground floor is let out @ ₹ 35,000 p.m. First floor identical to ground floor is occupied by him for his residence. Municipal taxes paid @ 20% amounted to ₹ 1,25,000.
- House No. 3** : The house was constructed in 2012 and is used for his business. The annual value of this house is ₹ 2,50,000 and he spent ₹ 12,000 as municipal taxes and ₹ 5,000 for repairs.

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Other information :

A loan of ₹ 50,00,000 has been taken on June 01, 2021 for construction of House No. 2. Construction of the house was completed on June 01, 2023. He repaid the entire loan on March 31, 2025. Interest on loan is payable @ 10% p.a.

Compute his income from house property for the assessment year 2025-26.

[5+(4+3)+2]+1