

B.Com

Sem- 4

MJC-6– Income Tax Law & Accounting

Calculation of Gross Total Income & Total Income

Q1) Mr. A has the following income for PY 2024–25:

- **Salary = ₹4,50,000**
- **Income from House Property = ₹80,000**
- **Business Income = ₹1,20,000**
- **Capital Gains = ₹50,000**
- **Income from Other Sources = ₹30,000**

He invested ₹1,50,000 under Section 80C.

Solution:

Step 1: Calculate Gross Total Income (GTI)

GTI = 4,50,000

- **80,000**
- **1,20,000**
- **50,000**
- **30,000**

GTI = ₹7,30,000

Step 2: Deduct 80C

GTI – Deduction

7,30,000 – 1,50,000

Total Income = ₹5,80,000

Q2) Determining Residential Status

Mr. C stayed in India for:

- **200 days in PY 2024–25**
- **100 days in PY 2023–24**

- 150 days in PY 2022–23

Solution:

Basic Condition (Section 6):

If a person stays in India for 182 days or more in the Previous Year → Resident.

Mr. C stayed 200 days in PY 2024–25.

Since $200 > 182$

Residential Status = Resident

Q3) Scope of Total Income

Mr. D (Non-Resident) has:

- Income earned in India = ₹4,00,000
- Income earned in USA = ₹3,00,000

Solution:

Non-Resident is taxable only on income earned or received in India.

So taxable income = ₹4,00,000

Foreign income is not taxable in India.

Q4) Mr. R left India for employment in USA on 1st October 2024.

His stay in India during:

- PY 2024–25 → 160 days
- PY 2023–24 → 210 days
- PY 2022–23 → 190 days
- PY 2021–22 → 170 days

Income for PY 2024–25:

- Salary received in India = ₹6,00,000
- Salary received in USA (credited there) = ₹8,00,000
- Income from House Property in India = ₹2,00,000
- Interest on US bank = ₹1,50,000

Step 1: Determine Residential Status

Since he left India for employment, the 182-day rule applies.

He stayed only 160 days (<182).

Therefore → Non-Resident

Step 2: Scope of Income (NR)

Taxable in India:

✓ Income received in India

✓ Income earned in India

Not taxable:

Foreign income received abroad

Taxable income:

Salary in India = 6,00,000

House Property = 2,00,000

Total Taxable Income = ₹8,00,000

(Foreign salary & US interest not taxable)

Step 3: Tax Calculation

0 – 2,50,000 → Nil

2,50,000 – 5,00,000 ($2,50,000 \times 5\%$) = 12,500

5,00,000 – 8,00,000 ($3,00,000 \times 20\%$) = 60,000

Tax = 72,500

Cess 4% = 2,900

Final Tax = ₹75,400