

Printed Pages – 6

**576345(76)/676545(76)**

**M. B. A. (Third Semester) Examination,  
Nov.-Dec. 2021**

**(New Scheme)**

**(Management Branch)**

**(Specialization : Finance Management)**

**TAXATION and TAX PLANNING**

***Time Allowed : Three hours***

***Maximum Marks : 80***

***Minimum Pass Marks : 32***

***Note: Answer any two questions from each unit. All questions carry equal marks.***

**Unit-I**

1. What are the different categories of assesses according to their residential status? How is status determined? 8

[ 2 ]

2. Define the term 'Previous Year'. Do you fully agree with the statement – "Income Tax is charged on the income of the previous year". Explain. 8
3. Determine the taxability of the following Incomes in the hands of a Resident not ordinarily resident and non resident : 8
- |   |        |
|---|--------|
| (i) Income from business in Chennai<br>(50% received in India)    | 40,000 |
| (ii) Dividend from British Co. received<br>in London              | 5,000  |
| (iii) Profits from a business in Delhi but<br>managed from London | 15,000 |
| (iv) Agricultural Income from Rajasthan                           | 15,000 |
| (v) Post foreign untaxed Income brought<br>to India during P. Y.  | 5,000  |
| (vi) Income accrued in India but received<br>in England           | 20,000 |
| (vii) Income from House property in<br>Iran, received there       | 15,000 |
| (viii) Interest on Bank deposit in Pakistan                       | 5,000  |

576345(76)/676545(76)

[ 3 ]

**Unit-II:**

4. Discuss the provision of Income Tax in respect of the following : 8
- (i) Leave encashment
- (ii) Commuted pension
5. Mr. Raj retired on 01.12.2014 from GSK Pvt. Ltd. Raipur. His salary was Rs. 9,600 per month on 01.01.14. He also got 20% DA and 10% HRA of salary. He lives in Raipur in a rental house Rs. 3,000 per month. He got pension Rs. 3,000 per month after retirement. He also got 1,14,000 as a gratuity for serving 22 years and 10 months. Travelling expenses Rs. 1,800 were paid by the co. to go to his home town after retirement.
- Compute his Income from salary for the AY - 2015-16. Payment of gratuity act is not applied. 8
6. Mr. Ravi constructed a house in 2009. Half of the portion is let out and the remaining half is used for his residence.
- |               |            |
|---------------|------------|
| MRV           | Rs. 12,500 |
| Rent received | Rs. 10,000 |

576345(76)/676545(76)

PTO

[ 4 ]

Municipal years	Rs. 2,500	
Ground rent	Rs. 250	
Repairs	Rs. 2,000	
Interest on loan for construction	Rs. 2,500	
Compute income from house property.		8

**Unit-III**

7. Enumerate expenses which are allowed in computing taxable profits of a business and also state expenses or losses which are not admissible. 8
8. Mr. Amar purchased a plot in 1986-87 for Rs. 1,40,000. It was sold on 15.01.2015 for Rs. 15,80,000 and paid 1,00,000 as brokerage. He invested Rs. 2,00,000 in NHAI Bonds on 31.03.2015 and Rs. 3,10,000 in bonds issued by Rural Electrification Corporation Ltd. on 01.08.2015. Compute his taxable capital gain if the CII for 86-87 was 140 and for 14-15 is 1024. 8
9. Compute Income from other sources of Mr. Raj for the A.Y. 2015-16 from the following sources : 8
- |   |       |
|---|-------|
| (i) Income from agriculture in Pakistan | 5,000 |
|---|-------|

576345(76)/676545(76)

[ 5 ]

(ii) Interest on post office savings	1,000
(iii) Dividend from foreign company	700
(iv) Dividend from Indian company	1,000
(v) Rent from sub-letting house	26,250
(vi) Expenses for sub-letting house	1,000
(vii) Winning from lottery (Net)	14,000

**Unit-IV**

10. From the following information of a trader, compute the gross total income : 8
- |  |          |
|--|----------|
| (i) Income from House property                 | 2,50,000 |
| (ii) Business Loss                             | 60,000   |
| (iii) Current year's depreciation              | 10,000   |
| (iv) Business loss of preceeding year          | 50,000   |
| (v) Unabsorbed depreciation of preceeding year | 30,000   |
| (vi) STC Loss                                  | 40,000   |
| (vii) LTCG                                     | 50,000   |
11. Discuss briefly the provisions of the Income tax act

576345(76)/676545(76)

PTO

regarding deductions to be made in computing the total income of one assessee in respect of certain payments. 8

12. Mr. Ajay is totally blind submits the following information.

Compute his total income : 8

Gross Salary 2,20,000

Rent received from let out house 1,30,000

STCG 12,000

Dividend from Cooperative society 7,000

Accrued interest on NSC 3,000

Deposited in PPF 10,000

Paid life insurance premium 6,000

Professional tax 2,000

**Unit-V**

13. Write short notes on : 8

(i) VAT

(ii) SALES TAX

14. Distinguish between Tax Planning and Tax Management. 8

15. Explain the objectives of CST. 8