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- OR iii. Compute the taxable capital gain for the assessment year 2017-18. **6**
- (a) Purchased a house on 1st May, 2012 for Rs.40,000 and sold on 31st August, 2016 for Rs. 60,000 /-.
Cost Inflation Index for 2012-13 = 852
Cost Inflation Index for 2016-17 = 1125
- (b) Mr. A purchased shares of Reliance company on 1st July 2012 for Rs.9,000 and sold on 1 April, 2016 for Rs.24,000. Security Transaction Tax paid Rs.24

- Q.6 Attempt any two:
- i. Distinguish between Gross Total Income and Total Income. **5**
- ii. Write any five deductions that come under section 80C to 80U. **5**
- iii. Compute the Income from other sources for the assessment year 2017-18. **5**
- | | |
|--|-----------|
| (a) Dividend from foreign company | Rs.5,000. |
| (b) Royalty | Rs.17,000 |
| (c) Interest on fixed deposit with SBI | Rs. 9,000 |
| (d) Agriculture Income In India | Rs.3,000 |
| (e) Interest on post office saving | Rs.4,500 |

Total No. of Questions: 6

Total No. of Printed Pages:4

Enrollment No.....



Faculty of Management
End Sem (Even) Examination May-2018
MS5OE06 Tax Planning & Management

Programme: MBA

Branch/Specialisation: Management

Duration: 3 Hrs.

Maximum Marks: 60

Note: All questions are compulsory. Internal choices, if any, are indicated. Answers of Q.1 (MCQs) should be written in full instead of only a, b, c or d.

- Q.1 i. Head of the income are: **1**
(a) 2 (b) 3 (c) 5 (d) None of these
- ii. It is exempted income: **1**
(a) Dividend from Indian company
(b) Dividend from Foreign company
(c) Interest from Indian company
(d) Dividend from Co-operative Society
- iii. Education Allowance is exempted for..... Children: **1**
(a) 2 (b) 4 (c) 1 (d) None of these
- iv. House Rent Allowance is: **1**
(a) Fully Exempted (b) Exempted to a certain limit
(c) Exempted for govt. employees (d) None of these
- v. Annual Value of Self occupied house: **1**
(a) Municipal value (b) Fair Rent
(c) Nil (d) Whichever is less of the above
- vi. Municipal Tax is allowed: **1**
(a) Paid by Tenant (b) Paid by Owner
(c) Either (d) None of these
- vii. Reserve or Provision is: **1**
(a) Allowed Expenses (b) Disallowed Expenses
(c) Allowed Income (d) None of these
- viii. Long term capital asset, if it is held by assesses: **1**
(a) More than 36 months (b) More than 12 months
(c) 36 Months (d) None of these

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- ix. Income of Dhoni for playing Test match is taxable under the head: **1**
 (a) Professional Income (b) Income from other sources
 (c) Income from salary (d) None of these
- x. Deduction allowed from GTI: **1**
 (a) LIC Premium (b) Donation
 (c) Medical Insurance Premium (d) All of these
- Q.2 i. Define the term "Assessee and Person". **2**
 ii. Briefly explain the term Tax Planning, Tax Avoidance & Tax Evasion. **3**
 iii. The following are the particulars of Income of Mr. Raj Vyas (Indian Citizen) for the previous year 2016-17: **5**
 I. Profit from business in Japan received in India : Rs. 2,00,000
 II. Income from house property in Bangladesh received in India : Rs. 5,00,000
 III. Profit of business in Indore : Rs. 3,00,000
 IV. Past untaxed income : Rs. 5,000
 V. Profit from business in London deposited in a bank there. This business is controlled from India : Rs. 10,00,000
 From the above particulars compute the taxable income :
 (a) Ordinarily Resident
 (b) Not- Ordinarily Resident
 (c) Non-Resident
- OR iv. Discuss the following: **5**
 (a) Ordinarily Resident
 (b) Not- Ordinarily Resident
 (c) Non-Resident
- Q.3 i. What is Salary means in the computation of House Rent Allowance? **2**
 ii. The following are the particulars of Mr. Hari who is manager is a company in Bhopal: **8**
 (a) Basic Salary Rs. 12000 per month.
 (b) Dearness Allowance Rs. 1000 per month.(Under the term of employment)
 (c) House Rent Allowance Rs. 6000 per month. He resides in a rental flat at Bhopal, rent of which is Rs. 500 per month.

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- (d) Employer and His contribution to Recognised Provident fund is 13%
 (e) Free meal one time for 250 working days paid Rs. 60 per meal by company.
 (f) Water and electricity bill paid by the company Rs.1000.
 (g) Education allowance for three children Rs. 5700 per annum
 (h) Professional Tax Rs.2000
 Compute the Income from salary for the assessment year 2017-18.
- OR iii. Discuss the rule regarding the valuation of Rent free house under the income tax. **8**
- Q.4 i. What is Gross Annual Value? How it is computed when standard rent is given? **3**
 ii. Mr. Bharti Bhatnagar is the owner of two houses at Nasik. **7**
 The first house, municipal value is Rs. 2,25,000 per annum, is self occupied and second house municipal value is Rs. 1,40,000 per annum was let out at the rent of Rs. 14,250 per month. The following expenses were made for the house:
- | | First House | Second House |
|-----------------------------------|-------------|--------------|
| Date of completion | 01.08.1996 | 1.1.1998 |
| Municipal Tax | 7,500 | 5,400 |
| Ground rent | 150 | 450 |
| Interest on loan for construction | 87,750 | 37,000 |
| Fire insurance | 1,450 | 1,410 |
| Collection charges | --- | 825 |
- Assuming the second house has remained vacant for 4 months. Compute the Income from house property for the assessment year 2017-18.
- OR iii. Define Annual value and describe the deduction u/s 24 in fully let out house and also deduction for the self occupied house. **7**
- Q.5 i. Discuss the allowed and disallowed expenses with example. **4**
 ii. What do you mean by Capital Gain? Distinguish between Long term and Short term capital gain. **6**

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Marking Scheme
MS5OE06 Tax Planning & Management

Q.1	i.	(c) 5	1
	ii.	(a) Dividend from Indian company	1
	iii.	(a) 2	1
	iv.	(b) Exempted to a certain limit	1
	v.	(c) Nil	1
	vi.	(b) Paid by Owner	1
	vii.	(b) Disallowed Expenses	1
	viii.	(a) More than 36 months / (b) More than 12 months	1
	ix.	(b) Income from other sources	1
	x.	(d) All of the Above	1
Q.2	i.	1 Mark for the definition of “Assessee 1 Mark for the definition of Person”	2
	ii.	1 Marks each for Tax Planning, Tax Avoidance & Tax Evasion (1 mark * 3 = 3 Marks)	3
	iii.	1 Mark each point (1 mark * 5 = 5 Marks)	5
OR	iv.	Discuss the following: a) Ordinarily Resident b) Not- Ordinarily Resident c) Non-Resident	5
Q.3	i.	Two marks for meaning	2
	ii.	1 mark for each point (1 mark * 8 = 8 Marks)	8
OR	iii.	2 marks for govt. employees explanation in rent free house 6 marks for non govt explanation in rent free house.	8
Q.4	i.	1 Mark for Gross Annual Value 2 marks for second question	3
	ii.	3.5 marks for each house (3.5 marks * 2 = 7 Marks)	7
OR	iii.	Define Annual value- 2 marks The deduction u/s 24 in fully let out house-2 marks Deduction for the self occupied house- 3 marks	7
Q.5	i.	2 marks each (2 mark * 2 = 4 Marks)	4
	ii.	Capital Gain-2 marks Long term and Short term capital gain- 4 marks (any four)	6
OR	iii.	3 marks each (3 marks * 2 = 6 Marks)	6
Q.6		Attempt any two:	
	i.	One marks each(any five) (1 mark * 5 = 5 Marks)	5
	ii.	Write any five the deduction under section 80C to 80U- One marks each (1 mark * 5 = 5 Marks)	5
	iii.	One marks for each correct point (1 mark * 5 = 5 Marks)	5
