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BINA CHOWDHURY CENTRAL LIBRARY
(GIMT & GIPS)
Azara, Hatkhowapara
Guwahati - 781017

BBA 18150 E 3

Roll No. of candidate

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21/2/2021

B.B.A. 5th Semester End-Term Examination

Business Administration

TAX PLANNING AND MANAGEMENT

(New Regulation)

Full Marks - 70

Time - Three hours

The figures in the margin indicate full marks for the questions.

Answer question No. 1 and any *four* from the rest.

1. State true or false: (10 × 1 = 10)
- Person leaving India must be assessed to tax during the previous year only.
 - As per section 3, "Assessment Year" is a financial year immediately preceding the Previous year.
 - Scholarship received to meet the cost of education is exempted from tax.
 - A person is said to be resident in India if he fulfills any one of the basic conditions.
 - Under the New Tax Regime, the deductions U/s 80C to 80U has been withdrawn completely.
 - Short Term Capital Gain is subject to tax @ 20%.
 - Indexed Cost of Acquisition is not required in Short Term Capital Gain.
 - Cost Inflation Index (CII) for the Previous Year 2020 -21 is 301.
 - The share of profits of a partner is not taxable if the profits of the same firm is already taxed under the Income Tax.
 - Body of Individuals (BOI) can contain only one individual also.
2. (a) What is Residential Status of an individual? Discuss the procedure to be followed under section 6 of the IT Act, 1961 for computing Residential Status with the help of a suitable example. (3+6 = 9)

[Turn over

- (b) Explain six incomes exempted from tax under section 10 of the Income Tax Act 1961. (6)

3. Write short note on the following – (Any five) (5 × 3 = 15)

- (a) Income exempted from tax
(b) Profits and Gains of Business or Profession (PGBP)
(c) PAN
(d) Heads of Income U/s 14
(e) Agricultural Income
(f) Perquisites
(g) Person defined U/s 2(31)

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4. (a) Miss Shanaya, aged 38 is employed in Shivam private Ltd. Company at Indore. During the Previous Year 2020-2021, she received the following from her employer.

- (i) Basic salary @ 15,000 p.m.
(ii) Dearness allowance 80% of her Basic Salary p.m.
(iii) Entertainment allowance @ 1,100 per month
(iv) Servant allowance @ 800 p.m.
(v) Bonus for the year 70,000
(vi) Commission received for the year 38,000
(vii) Employer's contribution to Recognized Provident Fund @ 13% p.a. is 20000.
(viii) Interest on Provident Fund credited @ 11.5% p.a. is 21,000 on 31-8-2019.
(ix) Uniform Allowance 500 per month (Actual expenditure on an average is 220 p.m.)

During the previous year her employer deducted 2,200 as Professional Tax from her salary. Find out her Income from Salary for the Assessment Year 2021-2022. (8)

(b) What is Previous Year and Assessment Year? Discuss the different situation where the Previous Year and Assessment Year are same. (2+5 = 7)

5. (a) Who is liable to pay tax? Write the difference between Previous Year and Assessment Year. (2+5=7)

- (b) Mr. Pulok Baruah aged 61 years, submits you the following details for the Previous Year 2020-21. Compute his tax liability for the assessment year 2021-22. Mr. Baruah opted for Old Tax Regime.

Income from Salary (Gross)	Rs. 7,00,000
Interest on Fixed Bank Deposit	Rs. 62,000
Long Term Capital Gain	Rs. 1,48,000
Short term Capital Gain on the sale of Equity	Rs. 24,000
Long term Capital Gain on the sale of Equity	Rs. 54,000

During the PY 2020-21, he deposited Rs. 30,000 in PPF Account and invested Rs. 15,000 in NSC VIII issue. He had also opened a fixed deposit for Rs. 50,000 in the same period. (8)

6. (a) Mr. Ramesh Shukla purchased a residential house for Rs. 12,00,000. He spent Rs. 2,42,000 on its improvement on 23-09-2019 on the house. On 27-10-2020, he sold the house for Rs. 52,24,000 and incurred Rs. 40,000 as expenses on transfer.

Compute the amount of Capital Gain for the Assessment year 2021-22, if

- (i) The house is purchased on 18-06-2019
(ii) The house is purchased on 18-06-2014.

(Note: CII of PY 2014-15 = 240, PY 2019-20 = 289 and PY 2020-21 = 301).

(4+4=8)

- (b) What is Capital Gain? What are its types? How Long-Term Capital Gain is computed. (2+2+3=7)

7. (a) Explain the comparisons between Old Tax Regime and the New Tax Regime. (7)

- (b) Mr. Kunal Kaushik has earned Rs. 17,85,900 as net taxable income during the previous year 2020 – 21. Calculate the amount of tax payable by him under the New Tax Regime as well as Old Tax Regime for the AY 2021 – 22 if:

- (i) His age is 62 years.
(ii) His age is 82 years.

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