

Total No. of printed pages = 4

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

Roll No. of candidate

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2021

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

M.B.A. 3rd Semester End-Term Examination

Business Administration

TAXATION PLANNING AND MANAGEMENT

(New Regulation & New Syllabus)

Full Marks - 70

Time - Three hours

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

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

1. Fill in the blanks : (10 × 1 = 10)
- Under _____ Tax Regime, the Entertainment Allowance is withdrawn from deduction u/s 16. (Old / New).
 - The assessee is liable not to pay tax up to Rs _____ out of the total taxable income if the age of the person is 55 years under OTR. (300000/250000).
 - Interest on bank deposit up to Rs _____ is exempted from tax u/s 80TTB for senior citizen only. (20000 / 50000)
 - Health and Education Cess is chargeable @ 4% upon _____ (total tax/total income).
 - New Tax Regime is applicable from the PY _____. (2019-20 / 2020-21).
 - Cost Inflation Index (CII) for the Previous Year 2020 -21 is (289/301).
 - _____ Capital Gain is subject to tax @ 15%. (Short Term /Long Term).
 - While computing the taxable long term capital gain, the deduction u/s 54 is applicable for the amount of new house property acquired 1 year prior to the date of sale or the capital gain whichever is _____. (higher/lower).
 - According to section 2(7), _____ is a person by whom any tax or any other sum of money is payable and also includes the person in respect of whom any proceedings under this Act has been taken for the assessment of his/her income. (tax payer/assessee).
 - A person will be called Resident but Resident in India, if he fulfils any one of the basic conditions and both the additional conditions. (Ordinarily/Not Ordinarily)

[Turn over

2. (a) What is Residential Status of an individual? Discuss how it is computed with the help of a suitable example. (5)

(b) Mr. Raj Kumar has earned Rs. 19,85,200 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 : (10)

(i) His age is 62 years.

(ii) His age is 82 years.

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3. (a) Mr Bikash Bordoloi, aged 51 years is totally blind, being an employee in a private limited company. Determine his net income for the AY 2021 – 22 : (10)

Basic Salary Rs. 85,000 per month

Dearness Allowance Rs. 7,000 per month

Special allowance from the employer Rs. 2,000 per month

Transport allowance for communication to the office Rs. 1,800 per month

Remuneration for examining answer scripts Rs. 3,200/-

Dividend received from UTI Rs. 8000/-

Dividend from a foreign Company Rs. 12,000/-

Cash award received from the Central Govt. Rs. 7,000/-

Collection charges charged against the cheque for Rs. 100/- remuneration as examiner

Gift of an almirah given by the employer (cost to the employer = Rs. 15,000/-)

Contribution to PPF – Rs. 1,800/- per month where as employer has also contributed the same proportion.

Payment of Life Insurance Policy Premium paid on the life of his wife.(sum assured Rs. 65,000/-, being policy taken on 20.4.2014)Rs. 8,700/-

On 25th April, 2019, he had purchased an electric motor car for his personal use by taking loan from SBI.

The interest on his loan for the year 2020 – 21, Rs. 1,25,000/- was paid by him on 31.3.2021

(b) Discuss the procedure of computation of total taxable income and the rules of deductions to be claimed u/s 80 C to 80 U under the Old Tax Regime. (5)

4. (a) Mr Ram Gopal Shukla, an Indian citizen has purchased a house on 4.4.2013 for Rs. 26,10,940/- he had made some improvement during the month of September, 2013 for Rs. 2,72,800/- on 26.02.2020, he purchased another house property for residential purpose for Rs. 8,25,900/- and sold the old house for Rs. 60,00,000/-. Compute the taxable capital gain if

(i) The date of sale is 29.12.2014.

(ii) The date of sale is 25.01.2021

There is an additional expense on transfer of Rs. 20,000/- and while selling the house property, the broker has charged a brokerage of 5% on sale consideration. Write appropriate working notes. (7 + 3 = 10)

(b) Explain the process of computing Long Term Capital Gain. (5)

5. The following are the Profit and Loss A/C of Mr. Jubin Karmakar, the proprietor of a firm, for the year ending on 31.3.2021.

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
To Salaries	90,000	By Gross Profit c/d	7,00,000
To Rent and Taxes	25,000	By Sale of Scrap	5,000
To General Expenses	7,000	By Bad Debt Recovered	5,500
To Legal Expenses	6,000	By Dividend Received	10,000
To Office & administrative expenses	55,000	By Interest on Savings Bank Deposit	4,800
To Depreciation on Fixed Assets	30,000	By Profit on the sale of Old furniture	1,200
To Interest on Bank Loan	5,800	By Gift from father in law	1,000
To Expenses on the acquisition of patent rights (1.4.19)	60,000	By Rent of Building	2,000
To Bad debt	6,000	By Profit on sale of Investment	3,000
To Subscription to Trade Association	3,500	By Sundry Receipts	1,600
To Provision for Bad debt	10,000		
To Provision for Income Tax	7,800		
To Interest on Capital	3,200		
To Net Profit c/d	43,4800		
	<u>7,34,100</u>		<u>7,34,100</u>

Additional Information:

- (a) Bad Debt recovered in respect of a debt which was written off as bad in the financial year 2017 – 18 now recovered during PY 2019 – 21.
- (b) Legal Expenses include Rs. 1,200 incurred by the assessee for defending a personal case for damages of Breach of Contract which was lost.
- (c) Depreciation of the year on assets other than Patent Rights allowable under the IT rules is Rs. 23000/-. Patent Rights depreciation rate allowable is 20%.
- (d) Salary include Rs. 5,000/- paid to the tutor of his son as tuition fee.
- (e) CGST and SGST Rs. 2000 for the month of March 2020 (not provided in the books) was paid on 20th August, 2020. The due date of filing IT Return is 30th November, 2020.

From the above information, you are required to compute the PGBP of Mr. Karmakar for the AY 2021 – 22 relevant to the PY 2020 – 21. Write appropriate notes. (15)

6. (a) Mr. Ramesh Patowary, aged 58 years, is an employee of Ramesh Limited. As per the terms of the agreement with the company, he receives the following :

Basic Salary	Rs. 42,000 per month
Dearness Allowance	Rs. 12,000 per month
Interim Relief	Rs. 4,000 per month
Family Allowance	Rs. 2,000 per month
Bonus	30% of the basic salary for the year
Contribution to the National Pension Fund	10% of Basic Salary

His employer also made the similar contribution to NPS. During the PY 2020 – 21, his employer deducted income tax at source Rs. 6,000/- per month from his salary and Rs. 2,500/- as professional Tax for the Financial Year 2020 – 21.

During the PY 2020 – 21, Mr. Patowary purchased NSC viii issue of Rs. 35,000/-, deposited Rs. 40,000/- in Public Provident Fund and Rs. 20,000/- in Sukanya Samridhhi Scheme in the name of his wife. Total interest credited in his savings account with the bank amounted to Rs. 19,000/-. Determine his total taxable income for the Assessment Year 2021 – 22 and also determine the tax payable under :

- (i) Old Tax Regime
- (ii) New Tax Regime (3 + 5 = 8)

- (b) Discuss briefly the situations as per the Income Tax Act, where the filling of Income Tax Return is mandatory. (7)

7. Discuss in detail about the history of GST in India. What are the benefits that can be availed after the implementation of GST? (10 + 5 = 15)