

BA 17230 F 3

Roll No. of candidate

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

20/3) 2021

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

TAX PLANNING AND MANAGEMENT

(New Regulation)

(New Syllabus)

(w.e.f. 2017-18)

Full Marks – 70

Time – Three hours

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

Question No. 1 is compulsory and any *four* from the rest.

1. Fill in the blanks: (10 × 1 = 10)
- A person leaving India must be assessed to tax in the _____ (previous year/assessment year).
 - _____ Capital Gain is subject to tax @ 15%. (Short Term /Long Term).
 - Long term Capital Gain _____ the computation of Indexed Cost of Acquisition. (requires/does not require).
 - Cost Inflation Index (CII) for the Previous Year 2019-20 is _____ (289/280)
 - Interest from bank deposit is charged under the head _____ (PGBP/ Other sources)
 - _____ is allowed as a deduction from the PGBP if the Plant and machinery installed after 31st March, 2005. (Additional depreciation /Normal Depreciation).
 - As per section 3, "Previous year" is a financial year immediately preceding the _____ (Assessment Year / Financial Year).
 - Income of an Education Institution is _____ from tax. (exempted/charged).
 - Losses from Speculation activities can only be set off against _____ activities. (Speculative / Non- Speculative)
 - According to Section 6(i) of the Income Tax Act, an individual is said to be resident in India any previous year if he satisfies at least one of the two _____ conditions. (Additional / Basic)

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2. (a) Discuss briefly some of the Deductions Expressly Allowed U/S 30-35. Explain five incomes exempted from tax under section 10 of the Income Tax Act 1961. (4+4=8)
- (b) Discuss the provisions of filling the return of income under the Income Tax Act, 1961. (7)
3. (a) Explain the provisions relating to the return and payment of tax under the GST Act, 2017. (7)
- (b) What is CGST, SGST and IGST? Discuss the brief history of GST implementation in India. (3+5=8)
4. (a) Sri Kushal Talukdar who carries on a business has prepared the following Profit and Loss Account for the, year ended 31st March, 2020.

Particulars	Rs.	Particulars	Rs.
To Salaries	88,000	By Gross Profit b/d	6,95,000
To Rent	36,000	By Gift	12,000
To Loss by theft	4,000	By income tax refund	3,000
To Discount Allowed	1,000	By interest from debtors	
To Repairs of Motor Car	14,000	on delayed payment	1,600
To, Reserve for Bad Debt	7,600	By Bad Debt Recovered	
To Free Sample	1,000	(Disallowed earlier)	5,000
To Life Insurance Premium	12,000		
To Interest on loan	11,000		
To Interest on Capital	15,000		
To Depreciation on Motor Car	20,000		
To Advance Income Tax	9,000		
To net profit	4,98,000		
	<u>7,16,600</u>		<u>7,16,600</u>

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Additional Information

- (i) Salary includes Rs 11,000 paid to the driver of the Motor Car who devoted 25% of his time for the personal use of the car of the proprietor.
- (ii) Life Insurance Premium has been paid on a policy on the life of the proprietor.
- (iii) Interest has been paid on the bank loan taken to provide working Capital for the business.
- (iv) The Motor Car was acquired on 1-8-2019 at Rs. 1,20,000. As per the Income Tax Rule, depreciation is allowed @ 15% on WDV.

- (v) Gift was received from relatives on the occasion of Marriage Anniversary of the proprietor.

From the above information, you are required to compute the Taxable Profits from business of Sri Kushal Talukdar for the AY 2020-21, relevant to the PY2019-20. (8)

- (b) What is Alternate Minimum Tax and when to apply it? Discuss rules of applicability and Carry forward of Alternate Minimum Tax. (3+4=7)

5. (a) Discuss the process of determining the Residential Status of an Individual. (5)

- (b) Mr. Prabhat Kalita, aged 68 years, is an employee of Sagar Ltd. As per the terms of the agreement with the company he received the following receipts during the PY 2019-20. Compute his tax liability for the assessment year 2020-21.

Basic Salary	Rs 40,000 p.m.
Dearness Allowance	Rs 12,000 p.m.
Interim Relief	Rs 5,000 p.m.
Family Allowance	Rs 2,000 p.m.

Bonus for the year @ 20% on his basic salary

Contribution to recognized provident fund 10% of basic salary

His employer has also made an equal contribution to the Provident Fund.

Dividend from IDBI	Rs 10,000
Interest on Saving Bank Deposit	Rs 16,000

During the PY 2019-20, his employer deducted TDS Rs 5,500 per month from his salary and Rs 3,500 as professional tax for the FY 2019-20.

He has also purchased NSC VIII issue of Rs. 20,000, deposited Rs 30,000 in PPF Account and Rs 12,000 in Sukanya Samridhi Scheme in the name of his daughter. (10)

6. (a) Mr. Bezbaruah, a retired Civil Servant, aged 62 years on 1st July, 2019 has submitted the following information of his income for the previous year 2019-20. Compute his total income for the assessment year 2020-21.

Basic Pension received @ Rs 80,000 p.m.	Rs 9,60,000
Dearness Allowance @ 20% of pension	
Medical Allowance @ Rs 1,000 p.m.	
Rent received from house property @ Rs 15,000 p.m.	Rs 1,80,000
Dividend from an Indian Company	Rs 15,000
Interest on Savings bank Deposit	Rs 17,000

Interest on Post office Savings Deposits	Rs 13,000
Dividend from a foreign Company	Rs 5,000
Interest on Fixed Deposit with a bank	Rs 28,000
Interest on Senior Citizen Savings Scheme Deposit	Rs 60,000

During the FY 2019-20, he had deposited Rs 6,00,000 in Senior Citizen Savings Scheme and had also paid Rs 20,000 by Account payee cheque for the payment of Medical Insurance Premium. (10)

(b) Write the difference between Long Term and Short-term Capital Gain. (5)

7. (a) Mr. Ratan Shukla furnishes you the following details relating to his income and losses for the Assessment Year 2020. Calculate this gross total income. (9)

	Rs.		Rs.
Salary income (Computed)	1,80,000	Capital Gains	
Income from House Property		Short Term (gain)	30,000
House A (Income)	36,000	Short Term (loss)	66,000
House B (Loss)	84,000	Long Term (Gain)	24,000
Income from business		Unabsorbed depreciation	6,000
Cloth Business (Profit)	39,000		
Hardware Business (Loss)	45,000		
Speculation (Profit)	36,000		
Speculation (Loss)	54,000		

(b) Mr. Mukesh Pathak purchased a house for Rs 11,20,000. He spent Rs 2,72,000 on its improvement on 21-09-2018 on the house. On 23-11-2019, he sold the house for Rs 51,30,000 and incurred Rs 40,000 as expenses on transfer. (6)

Compute the amount of Capital Gain for the Assessment year 2020-21 if

(i) The house is purchased on 12-06-2018

(ii) The house is purchased on 12-06-2013

Note: CII of PY 2013-14 = 220, PY 2018-19 = 280 and PY 2019-20 = 289).

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