647510 **BBAtaxCC6030** **Seat No :_________**

B.B.A. Semester - 6 (*CBCS*) Examination
March/April -2019
TAX PLANNING AND MANAGEMENT(CORE)

Time: 2:30 Hours **Marks: 70**

Instructions:
1. All questions are compulsory.
2. Figures to the right indicate marks.

Q-1 Shri kvya Sharma provides the following details pertaining to previous year 2016-17 compute taxable capital gain for the A.Y 2017-18. (14)

Sr. No.	Name of Assets	Date of sales	Sales price Rs.	Date of purchases	Purchase price Rs.	Transfer charges Rs.	Cost inflation index of year of purchase
1	Self residential house(one only)	31-12-2016	48,42,000	1-7-1970	1,80,000	15,000	100
2	HDFC Bank's equity shares	1-1-2017	5,07,000	1-8-2004	1,20,000	400	480
3	Reliance Ltd's equity shares	1-2-2017	3,34,000	1-2-1994	1,22,000	1500	244
4	Jewellery	31-3-2017	49,96,400	1-12-1985	5,32,000	10,000	133
5	Self residential house (new)	-	-	1-1-2017	3,00,000	-	-

The fair market value of the self-residential house was Rs.4,00,000 on 1-4-1981. The shares of both the companies were subject to S.T.T. on respective dates of sales.
Cost inflation index for the financial year 2016-17 is 1,125.

OR

Q-1 Shri Het Kumar is managing director of a private company of Baroda. From the following detailed of income, calculate his taxable income from other sources for the assessment year 2017

1.	Interest on bank fixed deposit	2200
2.	Rent received from sub tenant.	36000
3.	Dividend received on equity shares of Indian company.	8500
4.	Dividend received on shares of foreign company	25000
5.	Interest received on 7% capital investment bond	3200
6.	Investment received on UTI.	1100
7.	Free and commission received as director of company	30000
8.	Remuneration received for lectures given in staff Academic College, Baroda	15300
9.	Net amount received from lottery prize(TDS Rate – 30%)	35000
10.	Interest received on 10% tax free debenture of Anaya Ltd. (TDS Rate-10%)	45000
11.	Interest received on 10% tax free debenture of Abhi Ltd. (TDS Rate-20%)	32000
12.	Interest received from Kishan Vikas patra	8000
13.	Interest credited in public provident fund	9000

Paid Rs.5000 as interest on bank loan borrowed for purchase of Indian companies debenture. Paid Rs.3000 as interest on bank loan borrowed for purchase of Indian companies debenture.
Commission of Rs.500 paid to bank for transferring the amount of dividend from foreign company to India.

Q-2 Shri Ram and Raghuram are working partners in a professional firm which satisfies all conditions of sections 184 and 40(b) of IT Act. They share profits and losses in the ratio 4:1. (14)

Profit and loss account of the firm for the year ending 31st March 2017

Particulars	Rs.	Particulars	Rs.
To General expenses	68,500	By Gross profit	5,85,000
To Interest on capitals of partners	75,000		
To donation to NDF	25,000		
TO Salary, Bonus and other remuneration to partners	2,85,000		
To Depreciation	30,000		
To net profit	1,02,000		
	5,85,000		**5,85,000**

Other Information:

(1) General expense to the extent of Rs.18,500 is not deductible.
(2) Interest on capital to partners is in excess of Rs.15,000.
(3) Depreciation allowable as per IT rules works out to Rs.32,500.
Compute the permissible amount of remuneration to partners.

OR

Q-2 The following is the profit and loss Account of the firm of chartered Accountants of Sheth and Sharma. They share profit and loss equally. The firm satisfies all conditions of section 184 and 40(b).

Profit and loss Account for the year ending on 31-03-2018

Particulars	Rs.	Particulars	Rs.
Office Expenses	4,50,000	Professional fees	4,25,000
Depreciation	2,40,000	Consultation fees	4,75,000
Remuneration to partners	6,25,000	Net loss	5,35,000
Interest on capital	1,20,000		
	14,35,000		**14,35,000**

Other information:

(1) Rs.2,00,000 out of the office expenses is not admissible.
(2) Depreciation allowable as a deduction is 2,55,000.
(3) Interest on partners capital not deductible is Rs.75,000.
Compute the 'Book Profit' for the purpose of remuneration payable to partners. Also compute the actual amount of remuneration payable to partners.

Q-3 Sahaj, who is a resident in India, is a person with disability. He provides the following particulars of his incomes and payment of the year ending 31st March, 2018: (14)

Particulars	Rs.
1. Taxable salary income	410000
2. Honorarium from Andhjan Mahamandal	96000
3. Gross interest on bank Fixed deposit	145000
4. Interest on bank saving Account	25000
5. Interest on post office saving Account (single name)	3250
6. Donated to prime minister's National Relief fund	5000
7. Donation to Andhjan Mahamandal (approved fund)	96000
8. Premium on Mediclaim policy (self)	12000
9. Medical treatment expenses of his father who is also a person with disability and is dependent on him	90000
10. Deposit made in his public provident fund Account	100000

Computer his total taxable income for the assessment year 2018-19.

OR

Q-3 Mr. X, who is a person with disability submits the following information.

Compute (1) The taxable income (2) The tax payable for the assessment year 2018-19.

	Particulars	Rs.
1.	Salary (per annum)	495000
2.	Rent received(per month)	3500
3.	Dividend from co-operative Society	1000
4.	Interest on saving bank deposits	18000
5.	Interest on government securities	1000
6.	Winnings from lotteries (gross)	4000
7.	NSC purchased during the year	10000
8.	Deposit under PPF scheme	150000

He earned a long-term capital gain of Rs. 12000 on sale of gold during the year.

Q-4 What is tax planning? Explain the objectives of tax planning. (14)

OR

Q-4 Distinguish between:

(1) Tax Evasion and Tax Avoidance

(2) Tax planning and Tax Management

Q-5 Write Short Note on (Any two): (14)

(1) Types of Assessment

(2) Advance Tax

(3) PAN

(4) TDS

****