647510 **BBAtaxCC6030** **Seat No :________**

B.B.A. Semester - 6 (*CBCS*) Examination
March/April -2020
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 What is tax planning? Explain nature and importance of tax planning. (14)

OR

Q.1 Write short notes: (any two)
- (1) Difference of tax avoidance and tax evasion.
- (2) Tax management.
- (3) Scope of the tax planning.
- (4) Residential status.

Q.2 Shri sahaj provides the following details pertaining to previous year 2017-18. (14)

Sr. No.	Name of asset.	Date of sales	Sales price Rs.	Date of purchase	Purchase price Rs.	Transfer charges Rs.	Index of year of purchase
1	Self residential house (only one)	31-12-17	24,21000	01-07-90	90,000	7,500	100
2	ICICI bank's equity shares	01-01-18	2,53,500	01-08-05	60,000	200	117
3	Reliance Ltd.'s equity shares	01-02-18	117000	01-02-14	110,000	750	220
4	Jewellery	31-03-18	24,98,200	01-12-05	7,98,000	5,000	117
5	Self residential house (New)	-	-	01-01-18	2,24,000	-	-

The fair market value of the self-residential house was Rs.8,00,000 on 01-04-2001. The shares of the companies were subject to S.T.T on respective dates of sales. Cost inflation index for the financial year 2017-18 is 272.

Compute taxable capital gain for the A.Y 2018-19.

OR

Q.2 From the following details of Shri Rajnandani Pande, find out the taxable income under the head "income from other sources" for the A.Y. 2018-19.

(1) Rs. 80,000 as interest earned on Gold Deposits bonds, 1999.
(2) Rs. 48,000 as dividend received on shares of tata ltd.
(3) Rs. 70,000 as interest received on less-tax debentures of "kavya ltd." (T.D.S. 20%)
(4) Rs. 88,200 as interest received on less-tax debenture of "maruti ltd." (T.D.S. 10%)
(5) Investment in 10% Rs.20,80,000 less tax debenture of "Bharat Ltd." (T.D.S. 10%). On 01-07-2017 these debentures were sold and settled the bank loan taken to purchase the debenture of Suzalon ltd.]
(6) Royalty received as an author Rs. 3,78,000 net (after deduction of Rs. 42,000 as expenses.)
(7) Investment in 10% Rs. 10,80,000 tax free debentures of ram ltd. (T.D.S. 10%).
(8) Net income from horse race is Rs. 70,000 (T.D.S. 30%).
(9) Interest from bank term deposit (gross) Rs. 1,36,000.
(10) On 01-06-2017 she purchased Rs. 9,60,000 12% tax-free debenture of Suzalon ltd. (T.D.S. 20%). For this purpose, he borrowed a loan from the bank for Rs. 8,00,000 at 12% p.a. interest rate.
(11) Rs. 56,160 has been received as ground rent.

Interest on all the securities was received on 30th june and 31st December every year. Rs. 2,760 was paid for collection of interest.

Q.3 Ganga & Co. is a partnership firm where partners Ram and Shyam share profits and losses equally. The presents following profit and loss account for the year ending on 31st March, 2018. (14)

Profit and Loss account

Particulars	Rs.	Particulars	Rs.
Remuneration to partners	100,000	Sales	9,60,000
Interest to partners	24,000	Rates of house property	36,000
Cost of goods sold	5,60,000	Long-term capital gain	108000
Local taxes on house property	16,000		
Misc. Expenses	1,44,000		
Net profit	2,60,000		
	11,04000		11,04000

Additional information:

(1) Misc. expenses of Rs. 12000 not allowable of deduction.
(2) Out of interest paid, Rs. 6,000 is not deductible.
(3) Business losses brought forward from previous year were Rs. 1,44,000.
(4) Unabsorbed depreciation brought forward from previous three years was Rs. 1,44,000.

Compute the book profit of the firm for the purpose of remuneration payable to partners and also calculate the remuneration payable to partners.

OR

Q.3 Rana & Associates is a firm of chartered accountants and its profit and loss accounts which satisfies all conditions of sections 184 and 40(b) for the year ending on 31st march, 2018 is as follows.

Profit and loss account

Particulars	Rs.	Particulars	Rs.
To office expenses	5,40,000	By professional fees	510,000
To depreciation	2,88,000	By audit fees	5,70,000
To remuneration to partners	7,50,000	By net loss	6,42,000
To interest on capital	1,44,000		
	17,22,000		17,22,000

Other informations:

(1) Depreciation allowable as deduction is Rs.3,06,000.
(2) Rs. 2,40,000 out of the office expenses are inadmissible.
(3) Interest on partners capital not deductible is rs.90,000.

Compute the 'book profit' for the purpose of remuneration payable to partners. Also compute the actual amount of remuneration payable to partners.

Q.4 Sahil, who is a resident in India, is a person with disability. He provides following particulars of his income and payments for the year ending 31st march, 2018. (14)

Particular	Rs.
1. Taxable salary income.	4,10,000
2. Honorarium from andhjan mandal.	96,000
3. Gross interest on bank fixed deposit.	1,45,000
4. Interest on bank saving account.	25,000
5. Interest on post office saving account.	3250
6. Premium on mediclaim policy (self)	12,000
7. Medical treatment expenses of his father who is also a person with disability and is dependent on him.	90,000
8. Deposit made in his public provident fund account.	1,00,000

Compute his total taxable income from the assessment year 2018-19.

OR

Q.4 (A) Shri shrija sheth has made the following investment during the previous year 2017-18. Determine the amount ofb deduction U/s 80_c for the assessment year 2018-19. (10)

1.	Own contribution to recognized provident fund	Rs. 18,000
2.	Deposit made in P.P.F A/C	Rs. 80,000
3.	Investment under master equity plan of UTI	Rs. 14,000
4.	Investment in national savings certificates	Rs. 20,000
5.	Amount deposited in 5 years fixed deposit A/C with state bank of India	Rs. 25,000
6.	Deposit made in post office saving bank A/c	Rs. 5,000
7.	Investment in kisan vikas patra	Rs. 11,000
8.	Life insurance premium paid (self)	Rs. 6,000

(B) Write a short note on section 80DDB in respect of medical treatment of specified disease. (04)

Q.5 What is assessment? Explain different types of assessment. (14)

OR

Q.5 Write short notes: (Any two)

1. Tax deduct at source(TDS)
2. Types of return.
3. Advance payment of tax.
4. Permanent account number(PAN)

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