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

B.B.A. Semester - 6 (*CBCS*) Examination

Oct/Nov-2020

TAX PLANNING AND MANAGEMENT (CORE)

Time: 2:00 Hours **Marks: 56**

Instructions:

1. Figure to the right indicate marks.
2. There are five questions in the question paper.
3. Answer any four of the following questions.

Q.1 Write about few guidelines for tax planning with respect to various heads of income. (14)

OR

Q.1 "An Assessce must take advantages of various deductions U/S 80 to reduce his ultimate tax liability" – Explain this statement.

Q.2 Write about submission, types and time for filling of return of income. (14)

OR

Q.2 Write about different instructions for filling up NAYA SARAL.

Q.3 Find out taxable capital Gain from the following information of Mr. A for the A.Y. 2019-20 (14)

Particulars of Assets	Date of purchase	Cost of Acquisition Rs.	Date of sale	Sales value Rs.	Sales Expenses Rs.
Residential house	11-11-1997	600000	01-03-2019	56,36,250	37750
Personal Gold	01-10-2004	11,30,000	21-09-2018	23,41,000	3000
Personal Computer	15-10-2011	62,000	21-12-2018	65,000	-
Unquoted shares	01-03-2012	1,84,000	31-12-2018	4,44,500	1500
Residential Flat	30-08-2017	40,00,000	01-02-2019	45,30,250	30250

The fair market value of residential hour as on 01-04-2001 was Rs. 14,00,000. From the sale proceed of this house, Rs. 11,00,000 was invested in in new residential house on 02-01-2019. Further he invested Rs. 4,50,000 in three years NHAI bonds on 02-07-2019.

Related cost inflation indices for different financial years are as follows.

2001-02 – 100	2016-17 – 264
2004-05 – 113	2018-19 – 280
2011-12 - 184	

OR

Q.3 Mr P. tarnishes the following details of his investments and incomes for the financial year 2018-19, calculate his total taxable income from other sources for the A.Y. 2019-20.

1. 12% Tax free debentures of Shri Ram Ltd. (TDS-10%) Rs. 1,12,500
2. 8% Tax free Govt. of India securities Rs. 2,00,000
3. 9% Less tax Bonds of Punj Ltd. (TDS-10%) Rs. 50,000.
4. Agricultural income from Land in Gujarat Rs. 3,80,000.
5. Agricultural income from land situated in China Rs. 4,50,000.
6. Director fee received from a company Rs. 20,000.
7. Dividend received on shares of a company situated in U.K. Rs.80,000.
8. Dividend received on shares of Dhruv Ltd. Rs. 2,000
9. Interest on 7% capital Investment Bonds Rs. 7,000.
10. Interest received on 10% Tax-free debentures of Narmada Ltd. (TDS 10%) Rs. 18,000.
11. Rent received from open plot of land situated in India Rs.18,000.
12. Rent received from house property sub-let Rs. 16,000 and the cost for amenities provided to sub-tenant amounted to Rs. 3000.

Bank has charged commission for collection of dividend from Indian Companies Rs. 200 and from foreign companies Rs. 700.

Q.4 Mr. S. who is a senior citizen and resident in India, is a person with disability.He has given the following particulars of his income and payments incurred, for the year ending on 31-03-2019. Calculate his total taxable income for the A.Y. 2019-20. (14)

Particulars & Incomes and Payments	Amt. (Rs.)
1. Gross salary Income	6,00,000
2. Honorarium from Andhjan Mahamandal	96,000
3. Gross Interest on Bank Fixed deposits	1,45,000
4. Interest on Bank Savings Account	25,000
5. Interest on post office savings Account	3250
6. Donation to prime minister's national Relief Fund	5000
7. Donation to Andhjan Mahamandal (Approved Institution)	96,000
8. Premium on mediclaim policy of self	42000
9. Medical treatment expenses of his father who is also a disable person and dependent on him.	90,000
10. Deposit made in his public provident fund Account.	1,00,000

OR

Q.4 Mr. M.G. has computed his income from various heads received as under, you are required to calculate his takable income for the A.Y. 2019-20.

1. Salary income (Gross) Rs. 5,90,000.
2. Loss under the head house property income Rs. 95,000.
3. Taxable income under the head profits and gains of business Rs. 1,55,000.
4. Income under the head capital gains.
   - Short-term capital profit Rs. 70,000.
   - Long term capital profit Rs. 1,25,000.
5. Income from other sources.
   - Net winning from lotteries (TDS 30%) Rs. 21000.
   - Interest on Govt. Securities Rs. 50,000.
6. Mediclaim premium paid by cheque Rs. 11,000.
7. Expenses on medical treatment of dependent daughter with disability Rs. 59,000.
8. Repayment of interest on loan taken from recognized financial institution for higher education Rs. 22,000.
9. Approved Donations.
   I. Prime minister's Drough Relief Fund Rs. 20,000.
   II. National foundation for communal harmony Rs. 30,000.
   III. Jawaharlal Nehru memorial fund Rs.10,000.
   IV. Prime minister's National relief Fund Rs. 10,000.

Also calculate his tax liability assuming that if he has deposited Rs. 90,000 in his PPF A/C and Rs. 30,000 in 5 years fixed deposit with state Bank of India.

Q.5 Profit and loss A/C of R.V. & sons , a partnership firm is as follows. (14)

Dr.	Amt. (Rs.)	Cr.	Amt. (Rs.)
- Establishment expenses	3,50,000	- Gross profit	767000
- Interest on capital to partners @ 24%	60,000	- Rent from house property	90000 24000
- Interest on loan to partners @ 20%	24,000	- Dividend from units	
- Int. on loan to Mrs. R @ 15%	36,000		
- Municipal tax on let out house property	12000		
- Repairs to let out house property	6000		
- Donation to national children fund	12000		
- Remuneration to partners	2,20,000		
- Interest on money borrow for investment in units	11000		
- GST	30000		
- Net Profit	1,00,000		
	8,81,000		8,81,000

1. Out of municipal Taxes of Rs. 12000, Rs. 6000 was payable on 31-03-2019 and the same was paid on 30-06-2019.

2. GST includes a sum of Rs. 10,000 payable on 31-03-2019, Rs. 6000 was paid on 31-07-2019 and Rs. 4000 was paid on 31-11-2019, although the due date of payment under GST was 14-05-2019.
3. Difference in net profit amounts to Rs. 20.000.

Calculate taxable income of the firm for the A.Y. 2019-20.

OR

Q.5 A, B, C are the owners of a firm. They share profit and Loss in the ratio of 5:3:2. The following particulars of the firm for the year ended on 30-11-2019 are furnished.

1. Net profit as per P/C A/C Rs. 4,80,000
2. Salaries of Rs. 184000 paid to B and commission on sales of Rs. 84000 paid to C were debited to accounts.
3. Interest on capital of Rs. 15000, Rs. 12000 and Rs. 9000 were paid to A, B and C respectively and interest to accounts. The rate of interest in both the cases were 18%.
4. Depreciation debited to account amounted to Rs. 20000 but the admissible amount as per rate was Rs. 28000.
5. A long–term loan of Rs. 20000 was taken during the year and expenses incurred for obtaining the loan amounted to Rs. 2000. This sum was debited to accounts. Interest on such loan of Rs. 1600 is outstanding and not considered in the accounts.
6. The closing stock and opening stock of Rs. 1600000 and Rs. 1800000 respectively had been valued at 10% below the cost though the market price in each case was higher than the actual cost.

Compute the taxable income of the firm for the A.Y. 2019-20.

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