647510 **BBA6TpmC602x** **Seat No :________**

# B.B.A. Semester - 6 (*CBCS*) Examination
## April/May-2022 (NEW COURSE)
## Tax Planning & Management (Core (New))

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

**Instructions:**

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

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Que-1 What is the difference between Tax planning and Tax Management. (14)

OR

Que-1 Write Short notes (Any two)

1. Difference between Tax avoidance and Tax evasion
2. Importance of Tax Planning
3. Residential status and Tax Liabilities
4. Justification of Tax planning**:**

Que-2 Find out taxable capital gain from the following information of Shri Ajendra Pande for the A.Y.2021-22. (14)

| Serial No. | Assets | Date of Purchase | Purchase price | Date of Sales | Sales Price | Sales Expenses |
|---|---|---|---|---|---|---|
| 1. | Self residential House in rural Area | 11-11-1997 | 6,00,000 | 01-03-2021 | 59,30,250 | 37,750 |
| 2. | Personal Gold | 1-10-2004 | 11,30,000 | 21-9-2020 | 34,75,000 | 3,000 |
| 3. | Personal Computer | 15-10-2012 | 62,000 | 21-12-2020 | 65,000 | ….. |
| 4. | Share (unquoted) | 1-03-2012 | 1,84,000 | 31-12-2020 | 4,65,500 | 1500 |
| 5. | Residential Flat in urban area | 30-8-2019 | 40,00,000 | 01-02-2021 | 45,30,250 | 30,250 |

The fair value of Rural residential house was Rs. 14,00,000 on 1-4-2001. From the sales proceeds of this house, Rs. 11,00,000 invested in new residential house on date 2-3-2021. For the benefit of tax exemptions, he invested Rs. 4,50,000 in three years NHAI on 2-7-2021.

Related cost inflation index:

| **Financial Year** | **Cost Inflation Index** |
|---|---|
| 2001 -02 | 100 |
| 2004-05 | 113 |
| 2011-12 | 184 |
| 2016-17 | 264 |
| 2020-21 | 301 |

OR

Que-2 Shri Shyam has furnished the following particulars of his investments for the year ending 31st March, 2021:

1. Rs. 3,00,000 9% Municipal Debentures.
2. Rs. 3,20,000 7.50% Tax-Free Securities of Indian Govt.
3. Rs. 100,000 7.50% Port Trust Bonds.
4. Rs. 90,000 10% Tax-free Debentures of Jalaram Ltd. (T.D.S. at 10%).
5. Rs. 10,000 6.50% Treasury Savings Deposit Certificates.
6. Rs. 5,000 9% preference Shares of a Company.
7. Rs. 40,000 9% Tax-free Debentures of an X Ltd. Listed on recognized stock exchange in India. ( T.D.S at 10%).

He had taken a loan for purchasing tax-free securities of Indian Govt. and paid interest of Rs. 1,840. He also paid Rs. 3000 interest on loan for purchasing debentures of Jalaram Ltd. He paid Rs.260 bank commission for collection of interest and Rs. 30 for collection of Dividend.

Compute the taxable income for the A.Y. 2021-22 under the head income from other sources.

Que-3 Mr. Manav has made the following payments during the previous year 2020-21: (14)

| Particulars | Rs. |
|---|---|
| 1. Contribution towards public provident fund | 100,000 |
| 2. Contribution towards recognized provident fund | 32,500 |
| 3. Children's tuition fees ( @ Rs. 8,000 per child) | 24000 |
| 4. Life insurance premium on the life of married daughter (sum assured Rs. 1,00,000 policy taken on 1-4-2015) | 12,000 |
| 5. Investment in unit of notified Mutual Fund for financing infrastructure facility. | 20,000 |
| 6. Repayment of housing loan for construction of self-residential house | 47,000 |
| 7. Investment as a term deposit with SBI (for 1 year) | 20,000 |

Compute the total qualifying amount and actual amount of deduction U/s 80C, for the A.Y 2021-22.

OR

Que-3 The total gross income of Shri Sahaj Roy (58 Years of age), for the accounting year 2020-21 amounts to Rs. 6,50,000. Compute the amount of deductions U/s 80C and 80D available from total gross income:

| | |
|---|---|
| 1. Employee's contribution to recognised provident fund [@ 15% of basic salary] | 14,500 |
| 2. Premium paid on his life insurance policy (taken before1-4-2012) of Rs. 40,000 | 9,000 |
| 3. Paid into public provident fund A/c | 75,000 |
| 4. Contribution under ULIP of L.I.C. | 12,000 |
| 5. Investment in the eligible shares of power sector company | 23,000 |
| 6. Deposit placed with SBI (for 5-year period) | 16,000 |
| 7. Paid Rs. 35,000 towards Mediclaim Insurance policy of self | |

Que-4 The profit and loss Account of a partnership firm for the year ending 31-03-2019 is as follows: (14)

Profit and Loss Account

| Particulars | Rs. | Particulars | Rs. |
|---|---|---|---|
| To Cost of goods sold | 7,00,000 | By Sales | 1200,000 |
| To Remuneration to partners | 1,25,000 | By Rent of House property | 45,000 |
| To Interest to partners | 30,000 | By Interest on Govt. securities | 1,35,000 |
| To Rates & Taxes on house property | 20,000 | | |
| To Mis. Expenses | 1,80,000 | | |
| To Net Profit | 3,25,000 | | |
| | 13,80,000 | | 13,80,000 |

Other information:

1. Rs. 8,000 interest to partners is inadmissible.
2. Out of misc. expense, Rs. 12,000 is not deductible.
3. Business losses brought forward from previous years 2017-18, 2016-17 and 2015-16 are Rs. 1,40,000 Rs. 26,000 and Rs. 12,000 respectively.
4. Unabsorbed depreciation brought forward from previous years 2015-16, 2016-17 and 2017-18 are Rs. 12,000 Rs. 52,000 and Rs. 92,000 respectively.

From the above information find out book profit available for remuneration payable to partners and also compute the remuneration payable to partners.

OR

Que-4 Aayu & Co. is a partnership firm where partners Aayu and Siyu share profit and losses equally. Their profit and Loss Accounts for the year ending on 31st March 2019.

| Particulars | Rs. | Particulars | Rs. |
|---|---|---|---|
| Cost of Goods sold | 8,00,000 | Sales | 12,20,000 |
| Office Salary | 50,000 | Interest on Investments | 8,000 |
| Interest on loan for purchase of Machinery | 35,000 | Long-term capital gains | 10,000 |
| | | Short-term capital gains | 15,000 |
| Office rent | 26,000 | Winning from Lotteries | 9,000 |

| | | | |
|---|---|---|---|
| Commission to working partner : Aayu<br>Interest on loan to Siyu @ 20% p.a. who is a non-working partner<br>Salary to working partner Aayu<br>Salary to non-working partner Siyu<br>Interest on capital @ 21%<br>Aayu 19,500<br>Siyu 10,500<br>Reserve for bad debts<br>Misc. Expenses<br>Income-tax paid<br>Net profit | 25,000<br><br>25,000<br>1,25,000<br>30,000<br><br><br>30,000<br>10,000<br>12,000<br>10,000<br>84,000 | | |
| | 12,62,000 | | 12,62,000 |

Compute the Book Profit for the purpose of partner's remuneration. Also calculate maximum remuneration payable to the partners.

Que-5 What is Return? Explain different types of Return. (14)

OR

Que-5 Write Short notes: (Any two)

1. Summary Assessment
2. Forms of Return
3. Tax deduct at source (TDS)
4. Electronic Filing Return

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