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

B.B.A. Semester - 6 (*CBCS*) Examination
March/April-2024 (OLD COURSE)
TAX PLANNING AND MANAGEMENT(CORE)

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

Instructions:

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

Que.1 From the following particulars of income of Shri Shyam, determine his income under the head capital gain for the assessment year 2018-19. (14)

1) Shri Shyam had purchase a residential house for Rs. 4,68,000 on 1-1-2006. He sold this house on 1-4-2017 for Rs. 16,45,000. This was the only house owned by him. A part of the sale proceeds was utilized by him for the education of his son and Rs. 5,60,000 was used on 31-12-2017 to acquire another residential house.
2) On 31-12-2017, he sold some of the securities for Rs. 3,18,325 which were purchased by him on 1-3-2004 for 65,400. Rs. 1,00,000 of the sales price was invested on 1-2-18 in 3 years bonds of NHAI.

Relevant cost index for long term capital gain are as follows:

PY 2003-04: 109 PY 2005-06: 117 PY 2017-18: 272

OR

Que.1 Shri Narayan has furnished the following particulars of his investments for the year ending 31st March, 2021: (14)

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 took 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.2 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, 2020. (14)

Particular	Rs.
1. Taxable salary income	6,10,000
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. Donated to prime Minister's National Relief fund	5000
7. Donation to Andhjan Mahamandal (Approved fund)	56000
8. Premium on Mediclaim Policy (self)	42,000
9. Medical treatment expenses of his father who is also a person with disability and is dependent on him	90,000
10. Deposit made in his public provident fund Account	1,00,000

Compute his total taxable income from the assessment year 2020-21.

OR

Que.2 Mr. Madhusudan 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.

Que.3 What is tax planning? Explain importance of Tax planning and how it is different than Tax Management? (14)

OR

Que.3 Write Short notes: (Any two) (14)

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

Que.4 Narayan & Co. is a partnership firm where partners Ram and Shyam share profit and losses equally. Their profit and Loss Accounts for the year ending on 31st March 2019. (14)

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
Office rent	26,000	Short-term capital gains	15,000
Commission to working partner: Ram	25,000	Winning from Lotteries	9,000
Interest on loan to Shyam @ 20% p.a. who is a non-working partner	25,000		
Salary to working partner Ram	1,25,000		
Salary to non-working partner Shyam	30,000		
Interest on capital @ 21% Ram 19,500 Shyam 10,500	30,000		
Reserve for bad debts	10,000		
Misc. Expenses	12,000		
Income-tax paid	10,000		
Net profit	**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.

OR

Que.4 The profit and loss Account of a partnership firm for the year ending 31-03-2018 is as follows: (14)

Profit and Loss Account

Particulars	Rs.	Particulars	Rs.
To Cost of goods sold	7,00,000	By Sales	12,00,000
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 2016-17, 2015-16 and 2014-15 are Rs. 1,40,000 Rs. 26,000 and Rs. 12,000 respectively.
4) Unabsorbed depreciation brought forward from previous years 2014-15, 2015-16 and 2016-17 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.

Que.5 What is Permanent Account Number? Explain Permanent Account Number in detail. (14)

OR

Que.5 Write Short notes. (Any two) (14)

1) Electronic filling return.
2) Forms of Return.
3) Types of Assessment.
4) Tax deducted at source.

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