

M.Com HPP Sem.-3 (AAA) Examination

CC 13

Direct (Personal) Tax Planning

Time : 2-30 Hours]

November-2024

[Max. Marks : 70

Q.1 State the Difference between Tax Planning, Tax avoidance and Tax Evasion.

OR

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Q.1 From the following information, determine total income of Mr. Siddharth under different status for the previous year 2023-24.

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No	Incomes	Rs.
1	Income of Singapore controlled business is received from business situated in Chennai	180000
2	Rent income of asset situated outside India. Is deposited in Indian bank situated outside, India. Brought to India.	200000
3	Interest received outside India on loan sent to Indian resident staying outside India. which is used in India.	180000
4	Compensation received in services outside India. Services were provided in India	100000
5	Royalty income received from non-resident staying India	136000
6	Interest received in India of foreign company	20000
7	Interest received outside India of foreign company	120000
8	Interest of Indian Company received outside India	140000
9	Profit on sale of asset situated in Holand, out of which 75% amount received in India	200000
10	Income of business of Denmark which is controlled from Ahmedabad (Rs.120000 received in India)	200000

Q.2 Shri X (a specified employer) is the general manager of ABC co.ltd from the following Compute the taxable income from salaries for the assessment year 2024-25. 14

(1).Basic salary Rs.20000p.m

(2).Dearness allowance Rs.2000pm (half of which is part of salary for retirement purposes).

(3). House rent allowance Rs.6000pm (actual house rent paid at Ahmedabad rs.6000pm)

(4). Education allowance for 2 children Rs.600pm.

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- (5). Transport allowance Rs.2400pm.
- (6). Hostel allowances for 1 child Rs.500 pm.
- (7). Employer's contribution to recognised provident fund-12.5%
- (8). Interest credited to the balance recognised provident fund 10%-50000Rs.
- (9). Rs.200 p.m is deducted from his salary as professional tax.

OR

Q.2 Q.2. Mr. X is the owner of 3 houses. The following are the particulars of his property for the year ending 31.3.2024.

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Particulars	House-1 (Rs.)	House-2 (Rs.)	House-3 (Rs.)
Purpose of use	Let out Residential	Let out Business	Self Occupied
Annual fair rent	50000	38000	80000
Municipal valuation	60000	48000	80000
Standard rent	55000	45000	85000
Let out (per month)	4000	3000	-
Repairs	2000	-	7000
Collection charges	3000	1000	-
Interest on loan	16000	8000	5000

Municipal tax is 10% of municipal value. Municipal tax of House – 1 was paid by tenant, but Municipal tax of House-2 was not paid till 31.03.2023. Municipal tax of House-3 was paid by owner. House-1 remained vacant for 4 months. Compute income for Assessment Year 2024-25.

Q.3 From the following receipt and payment account of leading consulting physician 14 for the year ending 31st March 2024 compute tax payable by him on profit and gain from business or profession under old and new tax regime:

Receipt and Payment Account

Particulars	Amount	Particulars	Amount
To opening cash	1,50,000	By expenses of computing room	40,50,750
To consultation fees	80,40,000	By purchase of X ray machine	15,65,750
To salaries from Medical College	85,000	By motor expenses	75,500
To sale of shares	3,42,500	By life insurance premium	20,000
To bank interest	7,500	By marriage expenses	2,95,800
To dividend	40,000	By advanced income tax	85,850

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To loans from bank	40,000	By household expenses	25,35,250
To cash gift on son's marriage	1,75,000	By closing cash	2,51,100
	88,80,000		88,80,000

Other details

WDV of motor car as on 1st April 2023, - 2,50,000 and rate of depreciation on motor car is 15%, rate of depreciation on X ray machine is 40%, one and half of car used is for personal purpose.

1. Unrecorded consultation fees rupees 5,02,700.
2. Loan is taken for personal purpose assume physician using section 80(C) as full extent and claimed rupees 2,00,000 under section 24(b) for self-occupied house.

OR

Q.3 Write a brief note on section 54, 54B, 54EC, 54F. 14

Q.4 The information about income of Mr Ramesh for the previous year 2023-24 is as under: 14

Particulars	Amount
Long term capital gain	4,80,000
Taxable income from house property	1,40,000
Taxable income from Salary	17,00,000
Investment in PPF	1,40,000
Life Insurance premium	60,000
Donation to PM relief fund	40,000
Tax deducted at source	48,500

From the above information, determine the amount of installments of advanced tax for the assessment year 2024-25 under old and new tax regime.

OR

Q.4 What do you mean by gift? How shall taxability of gifts be determined? 14

Q.5 Multiple Choice Questions (Attempt any 7 out 12) 14

1. _____ method of reduction tax is recognised under Income Tax Act.
 - A. Tax Evasion
 - B. Tax Avoidance
 - C. Both (A) and (B)
 - D. Tax Planning

2. What is the rebate is applicable under section 87A in case of a resident individual having total income of Rs.500000.
 - A. Rs.30000
 - B. Rs.10000
 - C. Rs.12500
 - D. Rs.5000

3. Residential status to be determined for:
 - A. Previous Year
 - B. Assessment Year
 - C. Accounting Year
 - D. None of these

4. An individual who is resident in any previous year, in the next previous year, he shall be-
 - A. Resident
 - B. Not Ordinarily resident
 - C. Non resident
 - D. Any one of three

5. Pension received after retirement is taxable a income from _____.
 - A. Other Income
 - B. Salary
 - C. Capital Gain
 - D. Business and Profession

6. Admissible depreciation is considered as 50% of prescribed rate if the asset is used for less than _____ days during P.Y. 2022-23
 - A. 360
 - B. 180
 - C. 300
 - D. None of these.

7. Aman is the distributor of XYZ company for entire northern region during financial year 2000 and F.Y. 2023-24 company has modified the contract of Aman's agency and in future among will be the distributor only for Delhi the company paid rupees 10 lakh as compensation such compensation would be:
 - (a) Taxable under head IFOS
 - (b) Taxable under head PGBP
 - (c) Taxable under head capital gain
 - (d) Not Taxable

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8. The charging section of income under the head capital gain is:
- (a) Section 15 (b) Section 28
(c) Section 45 (d) Section 56
9. Capital gain is the gain which arises from the transfer of
- (a) Land and building only (b) Shares of blue chip company
(c) Capital asset (d) All of the above
10. Mr X received 70,000 from his friend on his birthday
- (a) The entire amounts is taxable (b) Rs 25,000 taxable
(c) Entire amount is exempt (d) None of the above
11. Gift of sum of money is exempt if
- (a) Aggregate value during particular year is less Rs 50,000 (b) Aggregate value during particular year is up to rupees 50,000
(c) If value of individual gift is up to rupees 50,000 (d) Aggregate value during particular year is less rupees 1,00,000
12. In case of default in payment of advanced tax interest shall be charged
- (a) 2% per month under section 234C (b) 1% per month under section 234B
(c) 1.5% per month under section 234A (d) 1% per month under section 234C
