

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

CC-13

Direct Tax Planning

Time : 2-30 Hours]

March-2024

[Max. Marks : 70]

Q.1. What is tax planning? Discuss importance tax planning. **(14 Marks)**

OR

Q.1. From the following information, determine total income of Mr. Ramakant under different status for the previous year 2022-23.

(14 Marks)

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 Holland, 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 detail

Compute the taxable income from salaries for the assessment year 2023-24. **[14 marks]**

(1). Basic salary Rs.20000pm

(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.500pm.

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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. Mr. K owns following four house properties. Other particulars are as follows :

(14 Marks)

Particulars	House-1 (Rs.)	House-2 (Rs.)	House-3 (Rs.)	House-4 (Rs.)
	Self occupied	Self occupied	Let out to for Business purpose	Being used in own business
Municipal valuation	30000	65000	92000	40000
Standard Rent	-	-	90000	48000
Fair Rental value	36000	70000	80000	52000
Actual Rent received	-	-	96000	-
Municipal taxes	3000	6500	9200	4000
Interest borrowed money	10000	15000	-	-
Repairs	5000	2000	10000	5000

Mr. K borrowed Rs.300000 at 10% for the construction of House No,3 on 1st October, 2018 and the house was completed on October 2020 and since then it is let out. A part of the loan of Rs.150000 was repaid 15th October 2021. Determine the house property income of Mr. K for the assessment year 2023-24.

Q3. What is Capital Asset? Explain Provisions of Section 54EC and Section 54F. (14 Marks)

OR

Q3. From the following profit and loss account of Mr. Raj Kumar for the year ended 31st March 2023, Compute income from business or profession: (14 Marks)

Particulars	Rs.	Particulars	Rs.
General Expenses	4000	Gross Profit	110000
Bad Debts	2500	Commission	10000

Bad Debts Provision	1500	Brokerage	15000
Fire Insurance	750	Winning from Crossword Puzzles	10000
Staff salary	20000	Interest on 7% National Plan Certificates	1000
Discount to Dealers	2500		
Salary of Raj kumar	5000		
Interest on Loan of smt. Raj kumar	2500		
Interest on Capital of Mr.Rajkumar	3500		
Depreciation on Machinery	8000		
Advertisement expenses	7500		
Contribution of Employees Provident Fund	5000		
Theft by cashier	1000		
Net Profit	77250		
	146000		146000

Other information are as follows:

1. Depreciation allowed on machinery is Rs.6500
2. Advertisement expenses include Rs.4000 spent on a neon sign board affixed on the office premises. It also includes Rs. '000 in respect of an advertisement for the lost papers of Mr.Rajkumar's Building.
3. Income of Rs.750 accrued during the previous year is not recorded in profit and loss account
4. General expenses include an amount of Rs.1100 spent on the party of a friend.

Q4. Mrs. N submits the following particulars of income from other sources for the year ended 31-3-2023. **(14 Marks)**

Particulars	Rs.
Family pension from Govt. of Bihar yearly	50000
Royalty from books written (expenses incurred for his purpose Rs.5500)	30000
Remuneration from articles published in a magazine	5000
Cash worth Rs 160000 was found in her private locker. The source of which could not be explained by her.	
Interest on fixed deposit in a bank	10000
Rent from subletting a house (rent paid to the owner Rs. 1500 p.m. and repair expenses Rs.500).	2500 p.m
Winning from lottery net (purchase of lottery ticket Rs.100)	35000
Winning from horse race	28000

Compute her taxable income from other sources for the assessment year 2023-24.

OR

Q4. Explain the advance payment tax. (14 Marks)

Q5 Attempt any seven out of twelve. (Each MCQ 2 Marks) (14 Marks)

1. Who is Tax payer?

A. assesee

B. Businessman

C. Trust

D. Farmer

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. Gratuity under payment of Gratuity Act--

A. Salary= Basic pay

B. Salary = Basic + Allowances

C. Salary = Basic + Allowances + Bonus

D. Salary = Basic + Full DA

6. The rate of standard deduction from income of a rented house is _____.

- A. 25%
- B. 33%
- C. 30%
- D. 40%

7. Types of capital gains are

- A. 4
- B. 3
- C. 2
- D. 1

8. Casual Income is

- A. Fully Taxable
- B. Partly Taxable
- C. Fully Exempted
- D. None of these

9. The assets on which the same rate of depreciation is admissible

- A. group of Assets
- B. Block of Assets
- C. Either of Above
- D. None of these

10. _____ is not an admissible expenses in relation to income from business and profession.

- A. expenses on scientific research
- B. Income tax
- C. Municipal tax on business premises
- D. All of these

11. Advance tax will paid if tax payable is more than or equal to

- A. 5000
- B. 20000
- C. 10000

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D. 50000

12. Which of the following assets is not considered as capital assets?

A. personal car

B. gold

C. urban land

D. goodwill
