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End Semester Examination 2022

Name of the Program: MBA

Semester: Fourth

Name of the Course: Taxation

Course Code: MB404(F3)

Paper Name: Taxation

Time: 3 Hour's

MM: 100

Note:

- (i) This question paper contains two sections.
- (ii) Both sections are compulsory.

Section – A

Q1. Multiple Choice Questions

(1 X 10 = 10 Marks)

- 1) Body of individual should consist of:
 - I. Individual only
 - II. Persons other than individuals
 - III. both of the above
 - IV. none of this above
- 2) Who is Tax payer?
 - I. Assessee II. Businessman III. Trust IV. Govt. employee
- 3) Income tax is a
 - I. business tax profession tax III. Direct tax IV. Indirect tax
- 4) A person is said to be an ordinarily Resident when the person is satisfying
 - I. both basic and additional conditions
 - II. only basic conditions
 - III. only additional conditions
 - IV. not basic and additional conditions
- 5) Who is assessee in case of a HUF?
 - I. Father II. spouse III. Karta IV. Deemed Karta
- 6) Section 10 of Income Tax Act deals with
 - I. Deductions
 - II. Exempted incomes
 - III. Income from salary
 - IV. Casual incomes
- 7) Rates of Income tax are fixed under
 - I. An Ordinance
 - II. The Income Tax Act
 - III. The Finance Act
 - IV. Notification of CBDT
- 8) The number allotted by income tax authorities to assessee for identification and which should be quoted in all documents and correspondence is
 - I. T.I.D. No.
 - II. Register No.
 - III. Permanent Account Number (PAN).
 - IV. Licence No.
- 9) Under the income- tax act, the incidence of taxation depends on

- I. The citizenship of the tax-payer.
 - II. The age of the taxpayer.
 - III. The residential status of the tax-payer.
 - IV. The gender of the taxpayer.
- 10) Unabsorbed depreciation can be carried forward for set off.....
- I. for a period of four years only.
 - II. for a period of eight years only. •
 - III. for an unlimited number of years.
 - IV. for a period of eighteen years only.

Section – B

Note:

Answer all the questions by choosing any two of the sub questions from a, b, c & question 'd' is Compulsory

Q.2	(10X 2 Marks)				CO 1, 2, and 3															
a)	What is the purpose of income tax? Discuss with an example: "Tax Planning, Tax Avoidance, and Tax Evasion?"																			
b)	What is meaning of Annual Value of House Property? How would you determine the annual value of house property, one-fourth portion of which is let out and three-fourth portion of which is self-occupied by the owner?																			
c)	What is the process for determining a taxpayer's residence for income tax purposes? Describe how the place of one's residence affects one's tax obligations.																			
d)	CASE STUDY Mr. Kamal Kumar owns a house property, the 1 st floor is let-out for residential purpose on a monthly rent of Rs 12500. However this portion remained vacant for one month during P Y 2020-21, Ground floor used as a general store run by him with a partnership with her wife, while remaining 3rd floor is utilized for the purpose of his residence. Other particular are as follows <table><tr><td>Municipal Valuation</td><td>145000</td><td>Standard rent</td><td>195000</td></tr><tr><td>Municipal tax</td><td>34000</td><td>Repair for lobby used by tenant also</td><td>12000</td></tr><tr><td>Interest on borrowed Capital for repair</td><td>66000</td><td>Ground rent</td><td>3000</td></tr><tr><td>Annual charges</td><td>12000</td><td>Fire Insurance Premium</td><td>2200</td></tr></table> Compute the income from house property for assessment year 2021-22.					Municipal Valuation	145000	Standard rent	195000	Municipal tax	34000	Repair for lobby used by tenant also	12000	Interest on borrowed Capital for repair	66000	Ground rent	3000	Annual charges	12000	Fire Insurance Premium
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Q.3	(10X 2 Marks)				CO 2 &3															
a)	What is your understanding of Capital Gains as defined by the Income Tax Act? Discuss long-term versus short-term investments in capital assets, as well as the costs associated with acquiring them.																			
b)	What is depreciation to you? Talk about how assets are valued under the Income Tax Act of 1962.																			
c)	What do you mean when you talk about "allowances"? Talk about taxable and non-taxable allowances.																			
d)	CASE STUDY Mr. B is employed in Mumbai. His particulars of income are as follows: Basic salary ₹15500, Dearness Allowance ₹5000 per month (100% entered for retirement benefit), Bonus ₹25000 P.A., commission ₹45000 P.A, Entertainment Allowances ₹1000 Per Month, Medical Allowance ₹500 PM, HRA ₹4000PM, Rent paid ₹5500 PM, Car of 1400cc provided by the employer for private and official use. Employer meets expenses of car.																			

	Conference fee is being paid by the employer ₹10,000. Medical insurance fees of Mr. B's brother paid by the employer, who is dependent on Mr. B. ₹3000. Free telephone at residence ₹3000 PM. He and his employer (each) contributes 15% of salary of RPF. Mr. B. has taken interest free loan of ₹15000 to purchase refrigerator. Compute his salary for assessment year 2021-22.	
Q.4	(10X2 Marks)	
a)	Explain the idea of "set-off" and "carry forward" of losses, as described in the Income Tax Act of 1962. In addition, explain its tax-related aspects.	
b)	India's tax system will be altered by the introduction of the GST. Explain your position regarding the preceding statement.	
c)	Discuss any four of the following a. MAT c. Long term capital Assers e. Deduction U/S 80D b. Assessment Year d. Carry forward and set off of speculation loss f. PAN	CO 4 & 5
d)	CASE STUDY From the following particulars, compute the taxable income for the assessment year 2021-22. Income from house property ₹ 95000/. Income from paint Business ₹ 208000, Loss from hardware business ₹ 230000, long term capital gain ₹ 65000 Short Term capital Gain ₹ 50000/. Income from card Games ₹ 20000/. Interest on securities ₹ 20000/. The assessee has following brought forward losses: Loss from house property ₹ 32000/, loss of paint business of AY 2018-19 ₹ 33000, Long-term capital loss ₹ 38000, short term capital loss ₹ 54000/, loss from interest on securities ₹ 9500/.	