

# Faculty of Management Studies

## End Semester Examination May 2025

### MS5CO16 / MS5OE06 Tax Planning & Management

<b>Programme</b>	:	MBA	<b>Branch/Specialisation</b>	:	-
<b>Duration</b>	:	3 hours	<b>Maximum Marks</b>	:	60

**Note:** All questions are compulsory. Internal choices, if any, are indicated. Assume suitable data if necessary.  
 Notations and symbols have their usual meaning.

#### Section 1 (Answer all question(s))

**Q1.** Income from agricultural land situated in Kanpur is-

**Marks CO BL**  
1    1    1

<b>Rubric</b>	<b>Marks</b>
Exempted	1

- Taxable for Ordinary Resident       Taxable for Not ordinary Resident  
 Exempted       Taxable for Non-Resident

**Q2.** A person includes \_\_\_\_\_.

1    1    1

<b>Rubric</b>	<b>Marks</b>
All of the above.	1

- Individual & HUF       Firm & company  
 AOP/BOI & local authority       All of the above

**Q3.** HRA for the person living in metro cities is exempted up to-

1    2    1

<b>Rubric</b>	<b>Marks</b>
50 % of Salary	1

- 40 % of salary       20 % of salary  
 50 % of salary       30 % of salary

**Q4.** Interest Credited to Recognized Provident Fund is exempted up to-

1    2    1

<b>Rubric</b>	<b>Marks</b>
9.5 %	1

- 8.5 %       9.5 %  
 10.5 %       11.5 %

**Q5.** Maximum deduction allowed in respect of Interest on Loan taken for Repairs against Self-Occupied house is-

1    3    1

<b>Rubric</b>	<b>Marks</b>
Rs 30000	1

- Rs 30,000 or Rs 2,00,000 according to the date of Loan       Rs 30,000  
 Rs 2,00,000       Nil

**Q6.** Interest on Loan related with pre-construction period is allowed in how many installments-

1 3 1

Rubric	Marks
5	1

- 1       2  
 4       5

**Q7.** Allowed expenses from Income tax point of view-

1 4 1

Rubric	Marks
Manager Salary	1

- Gift to wife       Manager salary  
 Life insurance premium       All of the above

**Q8.** Cost Inflation Index for the Previous Year 2024-2025-

1 4 1

Rubric	Marks
363	1

- 363       331  
 373       382

**Q9.** Which of the following is taxable under the head Income from other sources?

1 5 1

Rubric	Marks
All of the Above	1

- Bank interest       Income from sub tenancy  
 Royalty       All of the above

**Q10.** The maximum deduction for handicapped more than 80 % can be claimed u/s 80 DD is- 1 5 1

- Rs. 75000       Rs. 125000  
 Rs. 152000       Rs. 57000

### Section 2 (Answer all question(s))

Marks CO BL

**Q11.** When the income of the previous year is not taxable in the immediately following the assessment year? 2 1 2

Rubric	Marks
Minimum 4 points required . Each point carries .5 Marks	2

**Q12. (a)** How to determine the residential status of the individual? Explain with all conditions.

8 1 1

Rubric	Marks
Basic & Advance Conditions for ROR RNOR & NR (For Each Explained Condition 2 Marks assigned )	8

**(OR)**

**(b)** The following are the incomes of Miss Monalisa for the previous year 2023-24-

- Profit from Business in Nigeria received in India Rs.6,00,000
- Taxable income from house property in Sydney, Received in India Rs.1,30,000
- Income from house property in Rawalpindi deposited there in a Bank Rs.2,47,500
- Income accrued in India but Received in Toronto Rs.10000
- Profit earned from business in Vijayawada (Controlled by Vietnam H.O.) Rs.75,000
- Agricultural Income in India 25,500
- Income from Agricultural in USA Rs.38,000
- Past Untaxed foreign Income brought into India during the previous year. 27,500

From the above particulars ascertain the taxable income of Miss Monalisa for the previous year 2023-24

If she is-

- (i) Ordinary resident (ii) Not Ordinary resident (iii) Non- resident

Rubric	Marks
(a) Ordinary Resident (3 Marks ) (b) Not Ordinary Resident (3 Marks ) ( c ) Non- Resident (2 Marks)	8

### Section 3 (Answer all question(s))

**Q13.** Explain "Rent free accommodation Perquisite".

**Marks CO BL**  
3 2 2

Rubric	Marks
With Full Explanation (for Private and Govt Employee)	3

**Q14. (a)** Mr. Soren Dutta gets salary Rs 55,000 per month and bonus equal to one month salary, apart from this he provided the following facilities by the employer during the year 2023-2024

- Free food one time The company pays Rs.78 per meal for these facilities for 225 days to caterer.
- Free electricity from company's factory worth RS.3,800
- His one son is getting free education in the school run by the company. The expenses of education in such institution are Rs.1650 per month per student.
- He paid life insurance premium of Rs.8,500 and employer paid Rs.4,300 on his behalf.

Compute his taxable income from salary for the assessment year 2024-2025.

Rubric	Marks
As per solution	7

**(OR)**

**(b)** Miss Divya is a manager in a private firm. From the given information, calculate the taxable salary income of Miss Divya for assessment year 2024-25:

- Basic salary Rs.32000 per month.
- Dearness allowance 55% of basic salary.
- Medical allowance Rs.27000 per year.
- Education allowance Rs.15400 per year for 1 child.
- Hostel allowance Rs.22200 per year for three children.
- Free lunch for 321 days, the company pays Rs.74 for the lunch to caterer.
- Domestic Servant Provided by company whose salary is Rs.4500 per month

Rubric	Marks
AS PER SOLUTION	7

**Section 4 (Answer all question(s))**

Marks CO BL

2 3 1

**Q15.** What do you mean by annual value of the house property?

Rubric	Marks
Meaning of AV	2

**Q16. (a)** Describe the deductions under income from house property with an example.

8 3 2

Rubric	Marks
Deductions under income from house property. (Standard deduction ,Interest on loan of PY and Pre construction period) with example	8

**(OR)**

**(b)** Dr. Arpit has a property whose municipal valuation is Rs.2,20,000 p.a. The fair rent is Rs.2,10,000 p.a. and the standard rent fixed by the Rent control act is Rs.2,30,000p.a. The property was let out for a rent of Rs.21,000 p.m. throughout the previous year. Unrealized rent was Rs.21,000 and all condition prescribed by Rule 4 are satisfied. He paid municipal Taxes @ 15% of municipal Valuation. Interest on borrowed loan was Rs 90,000 for the year. Compute the income from house property of Mr. Arpit for the A.Y. 2024-2025.

Rubric	Marks
AS PER SOLUTION	8

**Section 5 (Answer all question(s))**

**Marks CO BL**

**Q17.** Mention any four assets which is not a capital asset.

2 4 1

<b>Rubric</b>	<b>Marks</b>
For each asset name half marks assigned .	2

**Q18.(a)** Briefly explain the capital gain exempt from tax u/s 54, 54 B , 54 EC & 54F .

8 4 3

<b>Rubric</b>	<b>Marks</b>
FOUR EXEMPTION 2 MARKS EACH.	8

**(OR)**

**(b)** Profit and Loss account of trader show net profit Rs.450000 after debiting following items-

- Income tax paid Rs 10000, Income tax procedure expenses Rs.1500
- Interest on loan taken for payment of income tax Rs.2500
- GST paid Rs 18000, Penalty Interest Rs.7500 for delay in payment of GST, Penalty for GST evasion Rs.4000
- Cash payment to a creditor 'Ajit' Rs.18000 on 28th October 2023 in two parts Rs.10000 & Rs.8000 respectively and to 'Vijay' Rs.19,700 (on 28th January 2024 Rs.9,700 and on 30th January 2024 Rs.10,000).
- Municipal tax Rs.2700 the 1 / 3 portion of the house is used for business and half portion is used for self-residence and the remaining portion is let out.

The aforesaid net Profit includes Rs.5000 recovery of old bad debts which were disallowed by income tax officer. Depreciation on business assets regarding the previous year 2023-2024 is allowed for Rs.16,800. Find out taxable income from business

<b>Rubric</b>	<b>Marks</b>
AS PER SOLUTION	8

**Section 6 (Answer any 2 question(s))**

**Marks CO BL**

**Q19.** Explain any five deductions allowed u/s 80 of the Income Tax.

5 5 1

<b>Rubric</b>	<b>Marks</b>
FIVE DEDUCTIONS 1 MARKS EACH	5

**Q20.** Mr. Kamal has the following income for the F.Y. 2023-24: Calculate his net taxable income.

5 5 4

<b>Source of Income</b>	<b>Amount (INR)</b>
Salary (Net)	7,50,000
Income from House Property (Net)	2,00,000
Interest from Savings Bank	25,000
Short-Term Capital Gain (STCG)	1,00,000
Agricultural Income	90,000
Interest on Fixed Deposit (FD)	1,20,000
Life Insurance Premium Paid (80C)	1,50,000

<b>Rubric</b>	<b>Marks</b>
AS PER SOLUTION	5

**Q21.** Discuss any five incomes that are taxable under the head other sources.

5 5 2

<b>Rubric</b>	<b>Marks</b>
FIVE INCOME 1 MARK EACH	5

\*\*\*\*\*