

Enrollment No.....



Faculty of Management Studies

End Sem Examination Dec-2023

MS5OE06 Tax Planning & Management

Programme: MBA

Branch/Specialisation: Management

Duration: 3 Hrs.**Maximum Marks: 60**

Note: All questions are compulsory. Internal choices, if any, are indicated. Answers of Q.1 (MCQs) should be written in full instead of only a, b, c or d. Assume suitable data if necessary. Notations and symbols have their usual meaning.

- Q.1 i. Person under the income tax act- 1
 (a) Individual (b) HUF
 (c) Association of person (d) All of these
- ii. Not Ordinarily Resident is a person who fulfils- 1
 (a) Both basic conditions and one additional condition
 (b) One basic condition and one or none of additional conditions
 (c) Both basic conditions
 (d) Both additional conditions
- iii. Salary includes- 1
 (a) Cash receipts (b) Perquisites
 (c) Taxable allowances (d) All of these
- iv. Servant facility is taxable for- 1
 (a) Every employee (b) Specified employee
 (c) General employee (d) Officer
- v. An Assessee has borrowed money for purchase of a house & Interest is 1
 payable outside India. Such interest shall be allowed as-
 (a) Deduction
 (b) Not to be allowed as deduction
 (c) Deduction if the tax is deducted at source
 (d) None of these
- vi. Standard deduction u/s 24 when annual value will be Rs. 25000- 1
 (a) Rs. 5000 (b) Rs. 7500 (c) Rs. 6250 (d) Rs. 12000
- vii. Following expenses is allowed from business & profession income- 1
 (a) GST (b) Wealth tax (c) Income tax (d) Gift tax

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- viii. The tax rate on long term capital gain for individual is- **1**
 (a) 10% (b) 20% (c) 15% (d) Both (a) & (b)
- ix. Deduction under section 80E is available for- **1**
 (a) Donation (b) Royalty
 (c) Computer software (d) Interest on education loan
- x. Income from card game is- **1**
 (a) Casual income (b) Other source income
 (c) Taxable income (d) All of these
- Q.2 i. Explain previous year & assessment year with example. **4**
 ii. What do you mean by exempted income? Briefly explain any five tax exempted income. **6**
- OR iii. Mr. Jay furnished the following information about his income- **6**
 (a) Income from house property in China Rs. 1,80,000
 (b) Income from computer business in Dewas Rs. 1,20,000
 (c) Agriculture income in India Rs. 2,00,000
 (d) Income from business in USA (business is controlled from India) Rs. 90,000
 (e) Agriculture income in Dubai Rs. 3,00,000
 (f) Income from rent Rs. 85000
 Compute his taxable income for the assessment year 2023-2024, if he is-
 (a) Ordinarily resident
 (b) Non- resident
 (c) Non-ordinary resident
- Q.3 i. Explain rules regarding house rent allowance with example. **4**
 ii. Explain any six provisions regarding perquisites which are exempted from tax in all cases. **6**
- OR iii. From the given information calculate taxable salary income for **6**
 Assessment year 2023-2024:
 Basic salary Rs.45,000 per month
 Dearness allowance 30% of basic salary
 Bonus equal to three months basic salary
 Entertainment allowance Rs. 6,000 per year
 Education allowance for three children Rs. 600 per month per child
 Overtime allowance Rs.10,000

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- Q.4 i. Draw the performa of income from house property. **4**
 ii. Explain the provision related to valuation of self-occupied house property & let-out house property. **6**
- OR iii. Compute taxable income from house property which is fully let out for **6**
 assessment year 2023-2024:
 Fair rent Rs. 108000
 Actual rent Rs. 260000
 Municipal valuation Rs. 70000
 Municipal tax paid Rs. 4000 by owner
 Municipal tax paid Rs. 3000 by tenant
 Interest on home loan taken for repair Rs. 40000
 Rent collection charges Rs. 2500
- Q.5 i. Describe the provision related to calculation of long-term capital gain **4**
 under income tax.
 ii. Explain any six expressly dis-allowed expenses for calculating income from business or professions. **6**
- OR iii. Mr. Arun purchased a house in April 2018 for Rs. 12,80,000 for self- **6**
 residence. On December 2018, he spent Rs. 1,20,000 for improvement. He sold the house on December 2019 for Rs. 38,00,000 & paid Rs. 22,000 for brokerage on sale of house. Compute his taxable capital gain.
- Q.6 Attempt any two:
 i. Explain any five incomes from other sources of an individual in **5**
 relation to computing his total income.
 ii. Explain the provision of income tax relating to filing return of income. **5**
 iii. Taxable income of an individual has been determined at Rs. 30,60,000 **5**
 for assessment year 2023-2024 find out tax payable, if he is-
 (a) Senior citizen assessee (b) Super Senior citizen assessee

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Marking Scheme.

Q.1 Person under the income Tax act

A (a) All of these

(1) mark

(ii) Not ordinarily Resident is a person who fulfills -
A (b) one Basic condition and one more or additional conditions.

(iii) Salary includes:-

(d) All of these

(1) mark

(iv) Servent facility is taxable for:-

(b) Special employee.

(1) mark

(v) An Assessee has borrowed money for purchase of a house & interest is payable outside India. Such interest shall be allowed as:-

(c) Deduction if the tax is deducted at source. (1) mark

(vi) Standard deduction u/s 24 when annual value will be zero -

(b) Rs. 7500

(1) mark

(vii) Following expenses is allowed from business & Prof. Income

(a) GST

(1) mark

(viii) The tax rate on long term capital gain for individual is

(d) Both (a) & (b)

(1) mark

(ix) Deduction under section 80 E is available for

(d) Interest on education loan.

1 (mark)

(x) Income from card game is

P.N.

(2)

(d) All of these

1 (Mark)

Q2 (i) Previous year — 2 mark
Assessment year — 2 mark } — (4) mark

(ii) Explanation of exp income — 1 mark
Each Type one mark — 5 mark } — (6) mark

Q.R (iii)
Solutions

(6 mark)				
S.No	Particular	O.R.	N.O.R.	N.R
(a)	Income from china	1,80,000	-	-
(b)	Computer business in India	1,20,000	1,20,000	1,20,000
(c)	Agri. income in India	Nil	Nil	Nil
(d)	Income from business in USA controlled in India	90,000	90,000	-
(e)	Agri income in Dubai	3,00,000	-	-
(f)	Income from Rent	85,000	85,000	85,000
Total				

Q.3 (i) Format (4) mark. — (4) (mark)

(ii) one mark each prerequisites — (6) mark

i) medical facilities (ii) refreshment facility

(iii) Telephone facility (iv) refresher course (v) Scholarship

(vi) Leave travel concession (vii) Free conveyance facility

(viii) Group Insurance & Accident Insurance Premium.

Q 4 (i) Performance — (4) mark

(ii) Provision related to self occupied. (31 marks)
 Provision related to let out property (31 marks) } 6m

or

Ciii) (6) mark

S.No.	Particular	Amt
(i)	municipal value	70,000
(ii)	Fair Rent	108000
(iii)	Hig of (i) & (ii)	108000
(iv)	Standard Rent	—
(v)	Exp. Rent (Low of (iii) & (iv))	108000
(vi)	Actual Rent	2,60,000
(vii)	NAV (Hig of (vi) & (v))	2,60,000
	Less M.T @ Paid by Owner.	4000.
	NAV	2,56,000
	Less Deduction u/s 24	
(i)	30% of NAV	(-) 76800
(ii)	Interest on Loan	40000
	Income from house property	139200

Q 5 (i) Provision 1 mark each — (2) mark.
 (ii) Is allowed exp 1 mark each — (6) mark

of Q5

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(iii) Sales consideration

38,00,000

Less:- Aggregated Amt of

(a) Sales & transfer exp.

(i) Brokerage

22,000

(b) Cost of Acquisition & improvement

(i) Purchase price

12,80,000

(ii) Improvement

1,20,000

(-) 1,422,000

Short term Capital gain

23,78,000

Q6 (i) Mark each income

(ii) Explanation.

-(5) mark

(5) mark

(iii) (a) Senior citizen assessee - 2.5 mark.

(b) Super Senior citizen assessee 2.5 mark.

Q.3 Solution. Statement of Income from Salary.
or (iii) A.Y 2023-2024 (Amount)

Basic Salary 45000×12	5,40,000
D.A. @ 30% of Basic Salary	13500
Bonus	135000
Entertainment	6000
Education - 1600×12	19,200
Overtime Allowance	10,000
Gross Salary	723700
Less S.D. u/s-16(i)	(50,000)
Income from Salary or Taxable Salary	673700

W.N - Education Allowance

1st Child - 500 Taxable
2nd Child - 500 Taxable
3rd Child - 600 Taxable

$600 \times 3 \times 12 = 21600$
- $100 \times 2 \times 12$ (2400)
Taxable 19200

Total 1600 taxable Per month