

NMIMS Global Access
School for Continuing Education (NGA-SCE)

Course: Taxation - Direct & Indirect

Internal Assignment Applicable for December 2016 Examination

Assignment Marks: 30

Instructions:

- *All Questions carry equal marks.*
 - *All Questions are compulsory*
 - *All answers to be explained in not more than 1000 words for question 1 and 2 and for question 3 in not more than 500 words for each subsection. Use relevant examples, illustrations as far as possible.*
 - *All answers to be written individually. Discussion and group work is not advisable.*
 - *Students are free to refer to any books/reference material/website/internet for attempting their assignments, but are not allowed to copy the matter as it is from the source of reference.*
 - *Students should write the assignment in their own words. Copying of assignments from other students is not allowed*
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1. Mrs Mangla owns a house. It is given on rent to a post office. Municipal value of the property is Rs230,000. Fair rent is 240,000 and standard rent is Rs 234,000. Municipal taxes paid by Mrs Mangla is Rs 50000 on March 15, 2015 and Rs 55000 on May 15, 2015. On May 1, 2015, rent is increased from Rs 15,000 to 20,000 per month with retrospective effect from April 1, 2014. Arrears of rent of 2014-15 are paid on May 1, 2015. Find out the income chargeable to tax for the assessment year 2015-16 and 2016-17. **(10 Marks)**

2. Mr Amaar purchased a land for 50 lacs and a building for 48 Lac for business purpose. He wants to claim depreciation on both. As a tax consultant advise him and also explain the conditions he should satisfy to claim depreciation. **(10 Marks)**



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3. a) ZARA International is a Spanish clothing and accessories retailer based in Arteixo. The company established one of its subsidiary company in India to sell the clothes and accessories of the non-resident parent company. Can these intimate connections between these two can be termed as business connection? Elaborate and illustrate with regard to the same. **(5 Marks)**
3. b) Securities Transaction Tax (STT) is levied on every purchase or sale of securities to stop tax avoidance of capital gains. Do all types of securities/transactions falls in the scope of STT. Discuss the same with the current rates of STT. **(5 Marks)**
