

MBA

THEORY EXAMINATION (SEM-IV) 2016-17

TAX PLANNING AND MANAGEMENT

Time : 3 Hours

Max. Marks : 100

Note : Be precise in your answer. In case of numerical problem assume data wherever not provided.

SECTION - A

1 Answer the following questions in not more than 30 words each. (2x10 = 20)

- a) Define assessee, assessment year and previous year.
- b) What do you mean by block of assets? What are the various method of charging depreciation on assets?
- c) What do you mean by Capital asset? How would you compute Capital gain?
- d) Write short notes on provision in respect of unrealised rent of house property.
- e) What is the difference between Basic Custom duty and Anti Dumping duty?
- f) What do you mean by VAT? Also state its types.
- g) What do you mean by Book Profit? How is it calculated?
- h) What is the difference between TDS and advance Tax?
- i) What do you mean by GMR and NMR?
- j) State some of the tax benefits attached to the nature of business.

SECTION - B

2 Answer any five questions of the following in 350 words each: (10x5 = 50)

- a) "Tax Planning is a legal and moral way of tax saving." Discuss the statement and state how it is different from Tax evasion.
- b) What do you mean by Ordinary, Not ordinary and Non resident? Also discuss computation of tax liability according to residential status of an assessee.
- c) What are the provisions of Income Tax Act 1961 regarding the following: Commuted pension, Gratuity, HRA, Provident fund
- d) "Loss under one head of income can be set off against the income under other heads during the same assessment year. State the exception.
- e) What are the features of Company assessment? What Tax liability imposed on company in respect of dividend distributed?
- f) Discuss the merits and demerits of Central Excise duty mentioning its importance.
- g) Discuss the provisions of Income Tax Act, 1961 related to amalgamation of companies.
- h) Discuss the provisions of Income tax Act with examples in relation to tax calculation with regard to income from other sources.

SECTION - C

Read the following case and answer the questions given at the end.

The following particulars are available relate to the income of Shri Ganesh for the previous year 2015-16:

He is employed in a cotton textile mill at Bangalore on a monthly salary of Rs25000. He is also entitled a commission of 1% on sales effected by him. The sales is 40lacs. He received the following allowances and perquisites:

- 1) Dearness Pay Rs6000 per month.
- 2) Bonus @two months basic salary.
- 3) Entertainment allowance Rs2000 per month
- 4) HRA @Rs5000 per month

- 5) Employer paid Rs 10000 towards income tax liability of Shri Ganesh
- 6) Employer provided him LTC Rs35000 for going to Simla.
- 7) He has been provided with Gas, electricity and water of Rs15000.
- 8) The employer give him cotton of Rs1000 as gift
- 9) He spent Rs6000 per month as rent occupied by him in Bangalore.
- 10) He and his employer contribute 15% of salary to recognized provident fund and his interest credited to this fund@9% amount to Rs30000 during previous year.

Answer any two questions of the following in 350 words each: (15x2 = 30)

3. Compute total taxable income as per Assessment Year 2016-17.
4. Compute the total tax paid according to assessment year 2016-17.
5. By which month Mr,Ganesh has to file his Income Tax Return?