

MBA
(SEM IV) THEORY EXAMINATION 2017-18
TAX PLANNING & FINANCIAL REPORTING

*Time: 3 Hours**Total Marks: 100*

- Note:** 1. Attempt all Sections. If require any missing data; then choose suitably.
2. Any special paper specific instruction.

SECTION A

- 1. Attempt *all* questions in brief. **2 x 10 = 20****
- a. Define assessment year.
 - b. What are the objectives of tax planning?
 - c. What do you mean by long term capital gain?
 - d. What do you understand by perquisite?
 - e. What is amalgamation?
 - f. What do you mean by VAT? Also state its type.
 - g. What do you understand by tax appeals?
 - h. Differentiate between closely held and widely held company from wealth tax perspective.
 - i. What is carry forward and setoff losses?
 - j. Explain tax deduction at source.

SECTION B

- 2. Attempt any *three* of the following: **10 x 3 = 30****
- a. How to determine the residential status of an Individual?
 - b. Explain any five items of income which are exempted from income tax.
 - c. What tax incentives have to keep in mind while selecting nature or activity of business?
 - d. Define wealth tax. Explain the provisions relating to computation of wealth tax.
 - e. Define the term Deduction, Exemption and rebate with suitable examples.

SECTION C

- 3. Attempt any *one* part of the following: **10 x 1 = 10****
- (a) Tax planning is a legal and moral way of tax savings. Discuss this statement. How does tax planning differ from tax evasion?
 - (b) Mr. X is employed in Mumbai. Particulars of his income for the previous year 2016-17 are given below:
Basic salary- Rs. 25,000 p.m.
D.A.- Rs. 5000 p.m. (40% is computed for retirement benefits)
Bonus- Rs. 20,000 p.a., commission-Rs. 15,000p.a. Entertainment allowance- Rs. 3,000p.m., Fair rental value of rent free house provided by the employer- Rs. 1,00,000, Value of furniture provided- Rs.2,00,000. Find out Income from salaries of Mr. X for the assessment Year 2017-18.

- 4. Attempt any *one* part of the following: **10 x 1 = 10****

- (a) What is Block of assets? What are the rules for charging depreciation on block of assets?
- (b) Discuss the provisions of Income Tax Act relating to set off and carry forward of losses. Explain inter head adjustment.

5. Attempt any *one* part of the following: **10 x 1 = 10**

- (a) What is the meaning of taxable profits from business or profession? Which incomes are taxable under this head?
- (b) What is the meaning of annual value of house property? State the deductions that are allowed from the annual value for computing the income from house property.

6. Attempt any *one* part of the following: **10 x 1 = 10**

- (a) What do you understand by the term Custom Duty? State the point to be kept in mind while computing assessable value and Custom Duty payable thereon.
- (b) Explain the following terms for the purpose of Wealth Tax:
 - i) Valuation Date
 - ii) Net Wealth

7. Attempt any *one* part of the following: **10 x 1 = 10**

- (a) Discuss the deductions u/s 80 from Gross Total Income which is important for tax planning.
- (b) Examine the provisions of tax planning regarding amalgamation of companies.