



DF-5532

**M. B. A. (FT) (Sem. III) (CBCS) (Reg. & ATKT) &
M. B. A. (Eve.) (Sem. V) (CBS) (Reg. & ATKT) &
(New Course ATKT) Examination
March / April - 2016
OF & A - 304 & OF & A - 504 : Corporate
Taxation & Financial Planning**

Time : 3 Hours]

[Total Marks : 70

Instructions :

(1)

नीचे दृष्टावेव निशानीवाणी विगतो उत्तरवही पर अवश्य लपवी. Fillup strictly the details of signs on your answer book.	Seat No. :
Name of the Examination :	<input type="text"/>
<input text"="" type="text" value="M. B. A. (FT) (SEM. 3) (CBCS) (REG. & ATKT) &</td><td><input type="/>	
Name of the Subject :	<input type="text"/>
<input text"="" type="text" value="OF & A - 304 & OF & A - 504 : CORP. TAXA. & FINA. PLAN.</td><td><input type="/>	
Subject Code No. : <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="3"/> <input type="text" value="2"/>	<input type="text" value="Student's Signature"/>
Section No. (1, 2,.....): <input type="text" value="Nil"/>	

- (2) All questions carry 14 marks.
- (3) Question no. 1 and 7 are compulsory questions.
- (4) Attempt any three questions from question no. 2, 3, 4, 5, 6.
- (5) Show working as part of answer.

1. Explain the following terms as per the Income Tax Act, 1961:

- a) Assessment Year [Sec.2(9)]
- b) Person [Sec.2(31)]
- c) Assessee [Sec.2(7)]
- d) Charge of Income Tax [Sec. 4]
- e) Income [Sec. 2(24)]
- f) Gross Total Income
- g) Total Income and Tax Liability

2. Following are the particulars furnished by Mr. X, a citizen of India and resident for year ending 31.3.2015. Net salary received after deduction of the following:

- a) His contribution to R.P.F. Rs. 16,800.
- b) Income tax of Rs. 20,000.
- c) Housing Loan Installment Rs.12,000.

Other components of his salary are:

- a) Employer's contribution to RPF is Rs. 16,800
- b) Interest on RPF (on accumulated balance of Rs. 1,50,000) Rs. 15,000
- c) House Rent Allowance of Rs. 24,000 (the house is in Chennai ad rent paid by him is Rs. 50,000)

- d) Conveyance Allowance Rs. 1,000 p.m. (60% spent for official duties)
 - e) Entertainment Allowance Rs. 500 p.m.
 - f) Education Allowance for his 3 children Rs. 48,000
 - g) He paid life insurance premium on his own life policy Rs. 10,000
 - h) Professional tax paid by the employer Rs. 300 p.m. and paid by Mr. X is Rs. 200 p.m.
 - i) Reimbursement of medical expense Rs. 25,000 (treatment taken in a recognized hospital).
- Compute salary income of Mr. X for the assessment year 2014-15.

3. Write short note on any two of the following: -

- a) Tax Planning related to Capital Gain
- b) Residential status and tax incidence.
- c) Tax Planning related to Salary Income.

4. Discuss the following allowances:

- a) House Rent Allowance
- b) Educational Allowance
- c) Transportation Allowance
- d) Medical Allowance

5. Mr. X purchased an asset on 1.1.1979 for Rs. 1,00,000 (Fair market value as on 1.4.1981 is Rs. 2,00,000).

Cost of improvement incurred by Mr. X as on:

- (i) 1.1.1981 is Rs. 75,000
- (ii) 1.1.1985 is Rs. 50,000

Mr. X gifts the asset to Mr. Y as on 1.1.1998. Mr. Y incurred the cost of improvement on the said asset on 10.1.1981. Cost of improvement incurred by Mr. Y on 1.1.2000 is as Rs. 30,000. Mr. Y sells the assets on 1.1.2014 for Rs. 35,00,000. Compute the value of capital gain. [CII: 1981-82=100, 1984-85=125, 1990-91=182, 1999-2000=389, 2013-14=939]

6. Discuss the following (any two):

- a) Capital Asset [Sec. 2(14)] chargeable under the head capital gain and its exceptions.
- b) Residential status of an individual
- c) Computation of income from self occupied property. [Sec. 23 (2)(a)]

7. Write short note on (any four) of the following:

- a) Powers and Duties of Joint Commissioner
- b) Value Added Tax
- c) Defective Return and Revised Return
- d) Tax Deducted at Source
- e) Income which is partially from agriculture and partially from business [Rules 7, 7A, 7B]
- f) Gross Salary, Net Salary, Taxable Salary and Cost to the Company