

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:

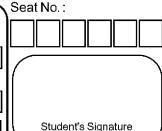
(1) નીચે દર્શાવેલ → નિશાનીવાળી વિગતો ઉત્તરવહી પર અવશ્ય લખવી. Fillup strictly the details of → signs on your answer book. Name of the Examination :

M. B. A. (FT) (SEM. 3) (CBCS) (REG. & ATKT) &

Name of the Subject :

◆ OF & A - 304 & OF & A - 504 : CORP.TAXA. & FINA. PLAN.

Subject Code No.: 5 5 3 2 Section No. (1, 2,.....): 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