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 deprecation 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?