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**Presidency University**

**Bengaluru**

**School of Management**

**Make-up End-Term Examination July 2024**

**Date**: 01 JULY 2024

**Time**: 9:30am – 12:30Pm

**Max Marks**: 100

**Weightage**: 50%

**Semester**: IV

**Course Code**: MBA 4067

**Course Name**: TAX MANAGEMENT

**Department:** SOM

**Instructions:**

1. *Read the all questions carefully and answer accordingly.*
2. *Do not write any information on the question paper other than roll number.*
3. *Question paper consists of 3 parts.*

**PART A**

**Answer any 10 Questions. Each question carries 3 marks. (10Qx 3M= 30)**

1. State the tax rates under the old slab and the amount of rebate available under section 87A (C.O.No.1) [Knowledge]
2. State meaning of tax planning with examples (C.O.No.1) [Knowledge]
3. Explain briefly the rules for determining the residential status for HUF

(C.O.No.1) [Knowledge]

1. Explain the concept of Minimum Alternate Tax (MAT) (C.O.No.3) [Knowledge]
2. Highlight some of the limitations of earlier indirect tax systems before GST

(C.O.No.4) [Knowledge]

1. Mention any three deductions available under section 80C (C.O.No.1) [Knowledge]
2. State the meaning of anti-profiteering measures under GST (C.O.No.4) [Knowledge]
3. List out any three benefits of GST (C.O.No.4) [Knowledge]
4. State the functions of GST council (C.O.No.4 [Knowledge]
5. State any three types of agricultural income (C.O.No.1) [Knowledge]
6. State any three types of taxable allowances (C.O.No.1) [Knowledge]
7. State the meaning of book profit under MAT (C.O.No.2) [Knowledge]

**PART B**

**Answer any 4 Questions. Each question carries 10 marks. (4Qx 10M= 40)**

13. Mr Rajan draws a monthly salary of Rs. 85,000. He also owns a flat which is let out for rent of Rs 15,000 per month during the year 2023-24. He pays a Municipal Tax of Rs 6,000 and spent Rs 8,000 on repairs for the year on the flat. During the year he earned Rs 20,000 as director fees from another company. He also has contributed towards Rs 16,000 towards LIC Premium. Compute the Taxable Income of Mr Ranjan for the Previous Year 2023-24 (C.O.No.1) [Application]

14. Goods and Services tax implemented in India is unique even though we have some common provisions as compared to Canadian GST system. State in this regard any five unique features of Indian GST with examples. (C.O.No.4) [Application]

15. Goods and Services tax was implemented in India with effect from 2017. It is based on the philosophy of one Nation- one Tax. It has completely changed the old tax system and introduced a new law with different meanings and definitions. State in this regard (a) Goods (b) Services (c) Supply (d) Time of supply and (e) Value of supply as per Goods and Services tax.

(C.O.No.4) [Application]

16. Income tax act has introduced section 115 BAC so that an Assessee may either opt new slab or old tax system for payment of tax liability. Explain in this regard both old and new tax systems along with tax rates. Elaborate also benefits and limitations of both the tax systems. Miss Mona is having monthly income from salary of Rs. 70,000. Assuming no other income or investment, compute her tax liability under both old and new tax systems. (C.O.No.1) [Application]

17. Miss Prabha is having taxable income of Rs. 9,50,000. She has opted old rate of tax. You are required to compute deduction available to her under section 80C to 80U. She has paid the following amounts during the previous year 2023-24.

1. PPF Rs. 80,000
2. Interest on housing loan Rs. 60,000
3. Interest on education loan Rs. 20,000
4. Interest on car loan Rs. 10,000
5. LIC premium for her life Rs. 30,000
6. NPS Rs. 60,000
7. Admission fee for school for her single child Rs. 70,000
8. Expenses on repair of house Rs. 50,000

(C.O.No.1) [Application]

18. Tax planning is an act within the four corners of the Act and it is not colorable device to avoid tax”. Discuss in brief in this regard the differences between tax planning, tax avoidance and tax evasion with example. (C.O.No.1) [Application]

**PART C**

**Answer the following Questions. (2Qx 15M= 30)**

19. Explain the rules for determining residential status of an individual. Mr. Mohit, an individual asks you to compute his taxable income for the previous year 2022-23 assuming that he is (a) Resident and ordinary resident (b) Resident but not ordinary resident (c) Non-resident.

He gives you following particulars of his income;

i) Income from agriculture in U.K invested in Nepal Rs. 5,00,000

ii) Interest on Fixed deposit in SBI Rs. 20,000

iii) Dividend received in U.K. from an American Co. Rs. 90,000, out of which Rs. 40,000 was received in India

iv) Salary drawn for 3 months for working in Indian embassy in Australia & salary received there Rs. 72,000.

v) Income from house property in USA Rs. 1,50,000.

vi) Pension received in UK for the services rendered in India with a limited company Rs. 8,50,000. (C.O.No.1) [Analysis]

20. Mr Kishore Verma, is working as IT Professional .His salary is Rs. 1,40,000 per month during the year 23-24. He owns 2 houses . One house is occupied for personal use and another house is let house .The rental income is Rs 13,00,000 per annum. He has paid the muncipal taxes amount to Rs.15,000 per annum and spent Rs. 18,000 towards repairs and maintence. Mr Kishore pays life insurance premium of Rs 4,500 on quarterly basis and also contributes Rs, 8,000 per month towards recoginized provident fund. His income from other sources amounted to Rs 12,000 for the year. Compute the Taxable Income of Mr Kishore Verma for the previous Year 2023-24

(C.O.No.1) [Analysis]