

(b) Explain when long-term capital gain on the basis of investment in certain bonds is exempt from tax as per Section 54EC.

5. Attempt the following questions : (10+5)

(a) What is GST? Elaborate its structure.

(b) What are the components of Gross Total Income?

6. Attempt the following questions : (10+5)

(a) Explain the concept of Deemed Dividend under Section 2 (22).

(b) Differentiate between tax evasion and tax avoidance.

7. Attempt the following questions : (5+10)

(a) Explain the rules governing Inter-Source adjustment under Section 70.

(b) Explain the rules for the tax treatment of the various types of Provident Funds.

[This question paper contains 4 printed pages.]

Your Roll No.....

Sr. No. of Question Paper : 4264

Unique Paper Code : 61015903

Name of the Paper : Tax Planning (G.E.)

Name of the Course : **Bachelor of Management Studies (BMS), 2019 (CBCS)**

Semester : III

Duration : 3 Hours

Maximum Marks : 75

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Attempt any **five** questions
3. **All** questions carry equal marks.
4. Use of non-scientific calculator is allowed.

1. Attempt the following questions : (10+5)

(a) X is a foreign citizen. He is not a person of Indian origin. He came to India for the first time on April 13, 2014. During the financial year 2014-15,

2015-16, 2016-17, 2017-18 and 2018-19, he was in India for 150 days, 70 days, 20 days, 230 days and 75 days respectively. Determine the residential status of X for the assessment year 2019-20.

(b) Explain the term Capital assets under section 2(14).

2. Mr. Y (49 years) is employed by ABC Ltd (Toy Manufacturing Company). He gets Rs. 85,000 per month as basic salary. The company has provided a car (1400cc), which is used by Y partly for official purposes and partly for Private purposes. The company reimburses the entire expenditure of Rs. 1,00,000 (including salary of driver with effect from January 20, 2019). He also gets House Rent Allowance of Rs. 7,000 per month (rent paid by him for taking a house on rent is Rs. 7,500 per month). He has purchased from the company's showroom toys of MRP of Rs. 25,000 at a discount of 93 percent of MRP (as per service rules). Production cost of these garments is 45 percent of MRP. Besides, he gets Rs. 20,000 education allowance for his two children. The company deposits a sum of Rs. 1,40,000 in the Public Provident Fund Account of Y out of its pocket. Y has contributed a sum of Rs. 50,000 towards purchase of National Saving Certificates during the financial year 2018-19. Determine the taxable income and tax liability of Y

for the Assessment Year 2019-20 on the assumption that he has an income of Rs. 80,000 from other sources. (15)

3. Mr. B (age : 40 years) owns four houses for his residential purposes, particulars of which are as follows :

	House 1 (Rs.)	House 2 (Rs.)	House 3 (Rs.)	House 4 (Rs.)
Municipal Valuation (MV)	60,000	1,40,000	1,84,000	56,000
Fair Rent (FR)	80,000	1,16,000	1,92,000	74,000
Standard Rent under the Rent Control Act (SR)	74,000	1,48,000	---	72,000
Municipal taxes paid	6,000	32,000	58,000	10,000
Insurance Premium	2,000	4,000	23,400	5,620
Interest on capital borrowed for purchase/construction (for house one, three and four loan was taken before April 1, 1999 and for house two it was taken on April 16, 2015)	22,120	2,20,000	80,000	30,000

Find out the net income and tax liability of Mr. B for the assessment year 2019-20 on the assumption that Mr. B has an income of Rs. 15,00,00 from his business and has deposited Rs. 1,20,000 in the Public Provident Fund during the previous year 2018-19. (15)

4. Attempt the following questions : (7+8)
- (a) Elaborate how to compute income on estimated basis in the case of taxpayers engaged in a business as per Section 44 AD.