



**RZ-161100010603**

Seat No. \_\_\_\_\_

**B. B. A. (Sem. VI) (CBCS) Examination**

**March - 2019**

**Tax Planning & Management**

*(New Course)*

Time :  $2\frac{1}{2}$  Hours]

[Total Marks : 70

**Instructions :**

- (1) Figures to the right indicate full marks of the questions.
- (2) Working notes shall be treated as a part of the answer.

- 1** Find out taxable capital gain from the following information **14**  
of Mr. Abhijit for the A. Y. 2018-19 :

	<b>Assets</b>	<b>Date of Purchase</b>	<b>Cost of Acquisition (Rs.)</b>	<b>Date of Sale</b>	<b>Sales Value (Rs)</b>	<b>Sales Expenses (Rs)</b>
1	Residential house in rural area	11-11-1997	6,00,000	01-03-2018	56,36,250	37,750
2	Personal Gold	01-10-2004	11,30,000	21-09-2017	23,41,000	3000
3	Personal Computer	15-10-2011	62,000	21-12-2017	65,000	—
4	Shares (unquoted)	01-3-2012	1,84,000	31-12-2017	6,44,000	1500
5	Residential flat in urban area	30-08-2016	40,00,000	01-02-2018	45,30,250	30,250

Fair value of rural residential house was Rs. 14,00,000 on 1-4-2001. From the sales proceeds of this house, Rs. 11,00,000 invested in new residential house on date 2-1-2018. For the benefit of tax exemptions, he invested Rs. 4,50,000 in three years NHAI on 2-7-2018.

Related CI I Nos. : 2001-02, – 100; 2004-05 – 113;  
2011-12 – 184; 2016-17 – 264;  
2017-18 – 272.

**OR**

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**1**

**[Contd....**

- 1 From the following data of Sanjay for the previous year ended 14  
on 31-3-2018, Compute the Income from Other Sources :

1	Interest on Bank Deposit of BOB	Rs.	3,000
2	Directors fee from a Tata Company	Rs.	10,000
3	Income from undisclosed source	Rs.	12,000
4	Winning from Lotteries (Net of Taxes @30%)	Rs.	33,500
5	Royalty on book written by him	Rs.	11,000
6	Lectures in Seminars of AIAA-Rajkot	Rs.	5,000
7	Interest on loan given to a relative	Rs.	7,000
8	Interest on debenture of a listed company (net of taxes @10%)	Rs.	3,588
9	Interest on Post office saving Bank Account	Rs.	2,500
10	Interest on Deposit Certificate issued under the Gold Monetisation Scheme	Rs.	9,000
11	Interest on Govt. Securities	Rs.	2,200
12	Interest on Monthly Income Scheme of Post office	Rs.	33,000

He paid Rs. 3000 for typing the manuscript of book written by him.

- 2 Mr Shah who is a resident in India, is a person with disability. 14

He provides the following particulars of his incomes (Total Gross)  
Rs. 6,76,000 and payments for the year ending 31-3-2018 is as  
follows :

A – Donation to PMNRF	Rs. 5,000
B – Donation to Andhjan Mahamandal (approved fund)	Rs. 96,000
C – Premium on Mediclaim Policy	Rs. 12,000
D – Medical treatment expenses of his father who is also a person with disability and is dependent on him	Rs. 90,000
E – Deposit made in his Public Provident Fund Account	Rs. 1,00,000

Compute his total taxable income for the A.Y. 2018-19.

**OR**

- 2 Explain the following deductions with examples : 14
- (A) Deduction u/s 80 TTA
- (B) Deduction u/s 80 C
- 3 Write short notes : (Any Two) 14
- (A) Tax Planning
- (B) Tax Avoidance
- (C) Tax Evasion
- (D) Essentials of Tax Planning
- 4 Shakti & Co. is a partnership firm where partners Ashok and Akash share profits and losses equally. Their Profit and Loss Account for the year ending on 31-3-2018. 14

**Profit and Loss Account**

Cost of Good sold	8,00,000	Sales	12,20,000
Office salaries	50,000	Interest on Investments	8,000
Interest on loan for purchase of Machinery	35,000	Long-term Capital gains	10,000
Office rent	26,000	Short-term Capital gains	15,000
Commission to working Partner Ashok	25,000	Winning from Lotteries	9,000
Interest on loan to Akash @ 20% p.a. who is a non working partner	25,000		
Salary to working partner Ashok	1,25,000		
Salary to non-working partner Akash	30,000		
Int. on Capital @ 21% Ashok 19500 Akash 10500	30,000		
Reserve for bad debts	10,000		
Misc. expenses	12,000		
Income Tax paid	10,000		
Net Profit	84,000		
	<b>12,62,000</b>		<b>12,62,000</b>

Compute the Book Profit for the purpose of partners remuneration.

Also calculate the maximum remuneration payable to the partners.

- 4 The following is the Income and Expenditure Account of a firm of Architects for the year ending 31-3-2018 : 14

Income & Expenditure Account

Office Salaries	40,000	Fees received	46,00,000
Office expenses	20,00,000	Consultation charges	44,000
Motor Car expenses	1,20,000	Interest on Investments	2,20,000
Rent and Rates	8,000	Long-term Capital gains	2,50,000
Int. on loan from Mr A @ 20%	2,80,000		
Dep. On Motor car	3,20,000		
Stipend to article clerks	8,00,000		
Remuneration to Partners Mr A 2,50,000 Mr B 3,75,000	6,25,000		
Excess of Income over expenditure	4,84,000		
	<b>51,14,000</b>		<b>51,14,000</b>

Allowable depreciation on motor car is Rs. 2,45,000.

Calculate :

- (A) Book Profit for the purpose of remuneration to partners.  
 (B) Calculation of remuneration allowable to partners.  
 (C) Total Income of the firm.  
 (D) Treatment of Income from the firm in the hands of partners.
- 5 Write short notes : (Any Two) 14
- (A) Advance Payment of Tax [Sec 207 to 211]  
 (B) Best Judgment Assessment.  
 (C) Belated Return.  
 (D) Summary Assessment.