



**PB-161100010603**

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

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

**March / April - 2020**

**Tax Planning & Management**

*(New Course)*

Time : 2½ Hours]

[Total Marks : 70

- 1 Miss. Simran sold her following assets during the year 14 ending 31<sup>st</sup> March, 2019.

Types of Assets	Date of Purchase	Purchase Price	Date of Sales	Sales Price	Transfer Expenses
Residential house (one)	10-7-1997	4,00,000	10-6-2018	92,35,000	67,500
Shares of A Ltd	01-8-2011	3,04,400	1-10-2018	5,26,636	3,600
Shares of B Ltd	1-12-2000	4,00,000	1-10-2018	11,99,000	3,000
Jewellery	1-10-1994	15,00,000	21-9-2018	48,14,388	6,000
Debentures	10-7-1994	4,00,000	2-2-2019	4,84,000	4,000
Motor car (Personal use)	15-1-2011	6,20,000	12-12-2018	5,50,000	-
New Flat	30-12-2018	20,00,000	--	--	-

**Other Information :**

- (1) She had incurred Rs. 4,80,000 in year 2014-15 for additional construction in the house.
- (2) The fair market value of assets on 1-4-2001 were as under:  
Residential house ..... Rs. 28,00,000  
Jewellery ..... Rs.18,70,000  
B Ltd. Shares ..... Rs. 3,20,000
- (3) No security transaction tax (STT) has been paid on A Ltd. and B Ltd. Shares.
- (4) Relevant Index Nos.  
2001-02            100  
2004-05            113  
2011-12            184  
2014-15            240  
2018-19            280
- (5) She has purchased a new flat immediately after she sold the residential house. Calculate the Taxable Capital Gain for the A.Y. 2019-20.

**OR**

- 1 Poonam furnishes following details of her investment for the financial year 2018-19. Calculate her taxable income under the head of income from Other Sources for A.Y. 2019-20. 14
- (1) 12% Tax free Debentures of Shree Ram Ltd. (TDS @ 10%) Rs. 2,25,000.
  - (2) 8% Tax free Government of India securities Rs. 4,00,000.
  - (3) 9% Less Tax Bonds of Punjab Ltd (TDS @ 10%) Rs. 1,00,000
  - (4) Agricultural income from Land in Haryana Rs. 7,60,000.
  - (5) Agricultural income from land situated in Pakistan Rs. 9,00,000.
  - (6) Director Fee received from a company as an independent director Rs. 40,000.
  - (7) Dividend received on shares of companies in UK Rs. 1,60,000.
  - (8) Dividend received on 12% Preference shares of Dharmish Ltd. Rs. 4,000.
  - (9) Interest on 7% Capital Indexed Bonds Rs. 10,000
  - (10) Interest received on 10% Tax free debentures of Narmada Ltd. (TDS @10%) Rs. 36,000.
  - (11) Rent received from open plot of land situated in India Rs. 36,000.
  - (12) Rent received from House Property sublet Rs. 32,000 (cost of amenities provided to sub-tenant Rs. 6000).
- Bank commission paid for collection of dividend from Indian Companies Rs. 400 and for from companies in UK Rs. 1400.
- 2 The Gross Total Income of Mr. Arjun for the P.Y. 2018-19 amounts to Rs.15,60,000. This income includes royalty income of Rs. 3,20,000 calculated at a rate of 20% of gross sale price of an approved book relating to Science subject. His other financial details for the P.Y. 2018-19 were as follows : 14
- (1) Deposited in P.P.F. account Rs. 2,60,000
  - (2) Life Insurance Premium of Wife's Policy Rs. 20,000
  - (3) Life Insurance Premium of Self Policy Rs. 60,000
  - (4) Premium on medical policies of different persons.
    - (a) For his own health Rs. 38,000
    - (b) For the health of dependent son Rs. 5,000
    - (c) For the health of dependent father (Age 65 years) Rs. 65,000
    - (d) For the health of wife Rs. 12,000
    - (e) For the health of dependent handicapped nephew Rs. 7,000.
  - (5) Medical expenses incurred for the treatment of dependent handicapped relative and deposited under UTI's scheme for such purpose Rs. 80,000.
- Compute his total taxable income for the A.Y. 2019-20.

OR

2 Given below is the statement of income prepared by Mr. Bansi for the A.Y. 2019-20 :

14

Particulars of Income	Amount	Amount
Gross Total Income		23,00,000
Less : Deduction U/s 80C		
(1) L.I.P. of Self Rs. 70,000		
(2) Deposited in PPF account of Spouse Rs. 40,000		
(3) Premium on life Insurance Policy of Dependent sister Rs. 20,000	1,30,000	
Less : Deduction U/s 80D		
(1) Mediclaim Insurance of Self Rs. 40,000		
(2) Mediclaim policy of dependent Father who is a senior citizen Rs. 62,000	1,02,000	
Less : Deduction U/s 80DD		
(1) Medical treatment of dependent relative Rs.1,60,000	1,60,000	3,92,000
<b>Total Taxable Income</b>		<b>19,08,000</b>

You are required to determine his correct total taxable income for the A.Y. 2019-20.

- 3 (a) Mr. Rohit, a specified employee, is drawing an annual salary of Rs. 7,20,000. Besides, the employer has offered him either to get an annual house rent allowance of Rs.1,80,000 (employee will have to bear the same amount as rent) or a perquisite in the form of a rent free house for which the employer will have to pay annual rent of Rs.1,80,000. You are required to do tax planning and decide which option to select to minimize taxability of Mr. Rohit? 7
- (b) Miss Nisha, a specified employee, gets an annual salary of Rs. 7,20,000. She is provided a car (engine cubic capacity exceeding 1600cc) for which all the running and maintenance expenses of Rs. 48,000 to be met or reimbursed by the employer) and annual depreciation of Rs. 32,000 by the employer. You are required to do Tax planning for perquisite of Car for Miss Nisha so as to minimize her taxability. 7

OR

- 3 Shri Chaturvedi uses all three houses owned by him for 14 self residential purposes only. The details relating to these houses are given below.

Particulars	House 1 (Rs.)	House 2 (Rs.)	House 3 (Rs.)
(1) Standard Rent	44,400	88,800	1,18,800
(2) Annual Fair Rent	48,000	69,600	1,14,000
(3) Annual Municipal Value	36,000	84,000	1,10,400
(4) Municipal Taxes paid	3,600	19,200	33,600
(5) Ground Rent	3,000	2,500	12,000
(6) Land Revenue unpaid	1,200	--	1,600
(7) Interest on Loan for Municipal Taxes	1,200	800	-
(8) Interest on loan of P.Y. 2018-19			
(i) On loan taken on 1-4-2014 for repairs	13,270	-	65,000
(ii) On loan taken in 2415-16 for purchase	-	91,000	-

For the A. Y. 2419-20 the assessee wants to take a decision so as to select which one house as 'actually self occupied' and other deemed let out house. You have to do Tax Planning & for that assess all possible alternatives & then compute his taxable Income from House Property where his income will be least taxable.

- 4 Write short notes : (any two) 14
- (1) Best Judgment assessment
  - (2) Types of Return
  - (3) Permanent Account Number (PAN)
  - (4) Advance Payment of Tax
- 5 Explain the concept and definition of Goods and Service Tax (GST). Explain benefits of GST. 14
- OR**
- 5 Explain types of Goods and Service Tax (GST). Which indirect taxes included in GST ? 14