

# C1180

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Roll No. ....

## MS-401/FM-2102

**Corporate Tax Planning/Taxation : Direct and Indirect**

Master of Business Administration (MBA)

3rd Semester Examination, 2022 (June)

**Time : 2 Hours]**

**Max. Marks : 80**

**Note :** This paper is of Eighty (80) marks divided into two (02) Sections A and B. Attempt the questions contained in these sections according to the detailed instructions given therein.

### SECTION–A

**(Long Answer Type Questions)**

**Note :** Section 'A' contains Five (05) long answer type questions of Twenty (20) marks each. Learners are required to answer any Two (02) questions only.

(2×20=40)

1. What do you understand by Tax planning and Management ? Explain briefly the scope and benefits of Tax planning and Management.

2. Discuss the Residential status of an Individual ? Explain with example how it affects taxable liability of an Individual ?
3. Define the term 'Perquisites'. Explain with examples the method of valuation of the rent free accommodation provided by an employer to the employee.
4. Mr. X is the owner of two houses which he uses for his residential purposes. He submits the following information in respect of these houses for the previous year 2021-22 :

Particulars	I house Rs.	II house Rs.
Municipal value	4,000	10,000
Fair Rent	5,000	12,000
Municipal Taxes Paid	500	1,500
Fire Insurance Premium	100	200
Interest of loan taken for the construction of the house	3,000	15,000

His other income are Rs. 2,50,000. Advise Mr. X which house he should opt for self occupation ?

5. (a) Mr. X gets Rs. 50,000 per month as salary and dearness allowance at 10% of the salary from his employer firm. He getting Rs. 1,000 per month as city compensatory allowance and Rs. 5,000 per month as entertainment allowance. He pays professional tax of Rs. 2,500. He is getting a bonus equal to three month's basic salary.

He is also provided with a rent free house (unfurnished) in a town (whose population is more than 25 lakh) whose fair rent is Rs. 5,000 per month.

Find out his income under the head 'Salaries' for the assessment year 2022-23.

- (b) Mr. Y furnishes the following information regarding his income for the assessment year 2022-23 :
- (i) Income from the head salary (computed) Rs. 8,50,000
  - (ii) Income from house property Rs. 3,50,000
  - (iii) Dividend from domestic companies Rs. 1,20,000
- Compute Tax Payable by Mr. Y for the assessment year 2022-23.

## **SECTION-B**

### **(Short Answer Type Questions)**

**Note :** Section 'B' contains Eight (08) short answer type questions of Ten (10) marks each. Learners are required to answer any Four (04) questions only. (4×10=40)

1. Distinguish between 'Tax evasion' and 'Tax avoidance'.
2. Discuss tax planning with respect to amalgamation of companies.
3. What are the expenses expressly disallowed in computing taxable income from business and profession ?

4. State the assets that are not included in the definition of 'Capital Assets' as per the provisions of Income Tax Act, 1961.
  5. What are the expenses deductible under income from other sources.
  6. What is Minimum Alternate Tax ?
  7. Explain briefly the provisions regarding set off and carry forward of losses.
  8. Write a short note on Tax planning and managerial decisions.
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