



UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

End Semester Examination, December 2018

Program: BBA (Specialization in Finance and Accounts)	Semester –5 th
Subject (Course): Corporate Tax Planning	Max. Marks : 100
Course Code :BBCF 145	Duration : 3 Hrs
No. of page/s: 4	

Note: All questions are compulsory

Section-A (Objective questions)

10x2 marks

Question. 1 (CO1)

1. Municipal taxes to be deducted from GAV should be :
 - (a) Paid by the tenant during the previous year
 - (b) Paid by the owner during the previous year
 - (c) Accrued during the previous year
 - (d) All of these
2. The HRA paid to an employee residing in Agra is exempt upto the lower of actual HRA, excess of rent paid over 10% of salary or:
 - (a) 40% of salary
 - (b) 50% of salary
 - (b) 60% of salary
 - (c) 75% of salarywhichever is less.
3. Under which the work of a doctor is covered ?
 - (a) Trade
 - (b) Business
 - (c) Profession
 - (d) None of these
4. For capital gain being long-term capital gain, an assessee should retain the asset for a period of:

- (a) 24 months (b) 36 months
(b) More than 36 months (c) 12 months
5. Income from sub-letting of House Property is :
(a) Income from Other Sources (b) Property income
(c) Exempted (d) Capital Gains
6. Salary of a M.P. will be taxable under the head :
(a) Salaries (b) Profits from business and Profession
(c) Capital Gains (d) Income from Other Sources
7. What amount is accepted for deduction under Section 80DD regarding disability:
(a) Rs. 50,000 (b) Rs. 75,000
(c) Zero (d) Actual expenses
8. A resident individual received Rs. 5,00,00 as royalty on a literary book. He will get deduction u/s 80QQB:
(a) Nil (b) Rs. 2,00,000
(c) Rs. 3,00,000 (d) Rs. 4,00,000
9. The rate of education cess & SHEC is :
(a) 2% (b) 3%
(c) 4% (d) 5%
10. What is the rate of surcharge applicable to individuals having total income exceeding Rs. 1 crore ?
(a) 15% (b) 5%
(c) 2.5% (d) Nil

Section-B

2x10 marks

Question 2.(CO2) How the value of Rent Free House is calculated under the head Salary?

Question 3.(CO1,2) Define ‘annual value’ and state the deductions that are allowed from the annual value in computing the income from house property.

Section-C

2x15 marks

Question 4.(CO3,4) The following incomes were received by Mr. A during the Financial Year 2017-18:

Director’s Fees	Rs. 6,000
Income from Agricultural land in Pakistan	Rs. 40,000
Interest from Post Office Savings Bank Account	Rs. 1,500
Interest on Fixed Deposit in SBI	Rs. 1,800
Winning from lottery (Net)	Rs.35,000
Crossword Puzzles	Rs. 2,500
Royalty on Books	Rs. 20,000
(Expenses in this connection Rs.4,000)	

Compute his income from other sources.

Question 5.(CO3,4) Mr. Sanjeev is a resident of India. He furnishes the following information about his incomes during the Previous Year 2017-18 :

- (i) Business and professional income Rs. 57,000.
- (ii) Capital gains Rs. 10,500 from a house which he acquired in 2016-17.
- (iii) On 31st Aug. 2017, he sold equity shares of Thapar Ltd. for Rs. 1,50,000, were purchased by him on 1st April, 2005 for Rs. 1,17,000.
- (iv) He sold an agricultural land for Rs. 25,500 during the Previous Year. The land was owned by him for the last five years, which was purchased for Rs. 6,000. The land is situated in a village with a population of 8,000.

- (v) On 1st March, 2018 he sold a flat for Rs. 11,00,000 Which was purchased by him on 1st Jan. 1996 for Rs. 1,20,000. The fair market value of this flat was Rs. 2,00,000 on 1st April, 2001.

Compute his taxable income from capital gains for the Assessment year 2018-19. Cost inflation indices were 2001-02 -100; 2005 – 06 – 117 and 2017 – 18 – 272.

Section-D

2x15 marks

Question 6.(CO3,4) An individual has submitted the following particulars for the Assessment year 2018-19:

(i) Income from Salary	Rs. 95,000
(ii) Income from House Property (Computed)	Rs. 44,000
(iii) Income from Business	Rs. 4,20,000
(iv) Long-term Capital Gains	Rs. 20,000
(v) Income from Lottery and Bettings	Rs. 69,000
(vi) Agriculture Income	Rs. 15,000

Your are required to compute his gross tax liability

Question 7.(CO3,4) Mr. Ram gopal, an employee in a company, is drawing Rs. 9,000 p.m. as salary plus 10% of his salary as dearness pay. He is getting entertainment allowance of Rs. 1,000 p.m. He has spent Rs. 5,000 on entertainment of the company's customers. He is provided with a rent-free unfurnished house a Allahabad of the fair rental value of Rs.2,000 p.m. The house is owned by the company. He is also provided with a small car for his personal and official use and all the expenses of its maintenance and running are met by the company. Find out his taxable salary for the Assessment Year 2018-19.



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Section-A (Objective questions)

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Question. 1 (CO1)

1. The HRA paid to an employee residing in Agra is exempt upto the lower of actual HRA, excess of rent paid over 10% of salary or:
(a) 40% of salary (b) 50% of salary
(b) 60% of salary (c) 75% of salary
whichever is less.
2. Interest on Loan paid prior to completion of construction of house shall be allowed as deduction.
(a) In 2 instalments for 2 years
(b) In 3 instalments for 3 years
(c) In 4 instalments for 4 years
(d) In 5 instalments for 5 years
3. Under which the work of a doctor is covered ?
(a) Trade (b)Business
(c) Profession (d) None of these

4. In case of shares, long term capital gain will arise, if the assessee retains the shares with him for a period of :
- (a) Less than 12 months (b) 12 Months
(c) More than 12 months (d) None of these
5. Income from sub-letting of House Property is :
- (a) Income from Other Sources (b) Property income
(c) Exempted (d) Capital Gains
6. For the Assessment Year 2018-19 the maximum permissible deduction u/s 80C is:
- (a) Rs. 79,000 (b) Rs. 1,12,000
(c) Rs. 1,50,000 (d) Rs. 80, 000
7. Deduction u/s 80G is allowed in connection with :
- (a) Charity (b) Computer Software
(c) Royalty (d) Donation
8. Maximum deduction in respect of medical insurance premium paid for a senior citizen is :
- (a) Rs. 10,000 (b) Rs. 15,000
(c) Rs. 30, 000 (d) Rs. 25,000
9. Which of the following item is covered u/s 80D?
- (a) Repayment of loan taken for higher education
(b) Medical treatment of handicapped dependent
(c) Medical Insurance Premium
(d) None of the above
10. The rate of tax on lottery winnings is :
- (a) 20% (b) 25%
(c) 30% (d) 35%

Section-B

2x10 marks

Question 2.(CO2) What are the deductions allowed from annual value of house property while computing the income from house property ?

Question 3.(CO1,2) What is Income tax ? Describe the history of Income ax in India.

Section-C

2x15 marks

Question 4.(CO3,4) Sri Bhagwan Das had an income of Rs. 2,25,000 from the head 'Income from Business or Profession' for the Previous Year ending on 31st March, 2018. During the previous year he sold the following assets :

- (i) Residential house which was sold on August 15, 2017 for Rs. 12,50,000 was purchased by him on Jan. 1,2004 for Rs. 2,18,000.
- (ii) Silver purchased in June, 2007 for Rs. 2,58,000 was sold on 1st June, 2017 for Rs. 3,50,000.
- (iii) Shares in a private company purchased in June, 2016 for Rs. 50,000 were sold on 25th April 2017 for Rs. 75,000.
- (iv) Land purchased in Jan. 2016 for Rs. 1,00,000 was sold on 15th April, 2017 for Rs. 2,50,000. He purchased a residential house in May, 2017 for Rs. 6,50,000.

Compute the taxable income of Sri Bhagwan Das for the Assessment Year. 2018-19. Cost inflation indexes for 2003-04 is 109; for 2007-08 is 129 and for 2017-18 is 272.

Question 5.(CO3,4) From the following particulars calculate the salary income of Mr. Haridas (an employee of an individual) for the Assessment Year 2018-19 :

Salary	5,500 per month
House-rent allowance	2,400 per month
Dearness allowance	5,000 per month
Entertainment allowance	1,200 per month

Mr. Haridas and his employer contribute to a recognized provident fund 14 per cent of salary. One small car is allowed to him by his employer both for private and official use. Expenses of car are borne by the employer. He lives in a rented house, monthly rent being Rs. 3,000. Mr. Haridas is working at Meerut.

Section-D

2x15 marks

Question 6.(CO3,4) Mr. Sundaram is a businessman. The particulars of his income are as follows for the Assessment Year 2018-19:

(1) Business Income	Rs. 5,44,500
(2) Income from house property (computed)	Rs. 24,000
(3) Interest on Govt. Securities	Rs. 20,000
(4) Long-term Capital Gains	Rs.12,000
(5) Winnings from horse race	Rs.7,000

He has paid life insurance premium amounting to Rs. 5,000.

You are requested to compute his net tax liability.

Question 7. (CO3,4)Dr. K.K. Bansal owns a house property in Pune which is let out for Rs. 8,000 p.m. Its municipal valuation and municipal taxes are respectively Rs. 80,000 and 30%. Dr. Banasal paid municipal taxes of past four years along with for the current previous year. Other expenses relating to property are following :

- (i) Repair and insurance premium Rs. 7,000;
- (ii) Interest for purchase of house Rs. 42,000.

The house was vacant for three months in the year. Compute income of house property for the Assessment Year 2018-19.