

<b>Name:</b>	 <b>UPES</b> UNIVERSITY WITH A PURPOSE
<b>Enrolment No:</b>	

**UNIVERSITY OF PETROLEUM AND ENERGY STUDIES**  
**Online End Semester Examination, May 2021**

<b>Course: Income Tax and Tax Planning</b>	<b>Semester: VI</b>
<b>Program: B. Com. LL.B (Hons.) (TL/M&amp;EL)</b>	<b>Time: 03 hrs.</b>
<b>Course Code: CLTX 3002</b>	<b>Max. Marks: 100</b>

**SECTION A**

1. Each Question will carry 5 Marks
2. Instruction: Complete the statement / Choose the correct answer

S. No.	Question	CO
Q 1	(i) A person includes a. Only Individual b. Only Individual and HUF c. Individuals, HUF, Firm, Company only d. Individuals, HUF, Company, Firm, AOP or BOI, Local Authority, Every Artificial Juridical Person  (ii) Year in which income is taxable is known as..... and year in which income is earned is known as.....  a. Previous year, Assessment year b. Assessment year, Previous year c. Assessment year, Assessment year d. Previous year, Previous year	CO 1
Q 2	(i) An Indian company would  a. be resident in India if its control and management is wholly situated in India b. be resident in India if its control and management is wholly or partly situated in India c. be resident in India if its control and management is wholly situated outside India d. be always resident in India irrespective of control and management  (ii) Gross Total Income is arrived after a. only adding Income under five heads of Income; b. adding Income under five heads of Income excluding losses; c. adding Income under five heads of Income, after applying clubbing provisions and making adjustment of set off and carry forward of losses	CO 2

	<p>d. adding Income under five heads of Income, after applying clubbing provisions and making adjustment of set off and carry forward of losses and after allowing deduction under section 80C to 80U</p>	
Q 3	<p>(i) Transfer of income without transfer of asset would be taxable in the hands of</p> <p>a. Transferor only b. Transferee only c. Either transferor or transferee d. Both transferor and transferee</p> <p>(ii) Loss from house property can be carried forward and set off in the subsequent 8 Assessment years:</p> <p>a. Only if return of loss is filed within due date b. Even if return of loss is filed after due date c. It does not matter when return is filed d. Carry forward of loss from house property is not allowed at all.</p>	<b>CO 2</b>
Q 4	<p>(i) Deduction under section 80C to 80U cannot exceed</p> <p>a. Gross Total Income b. Total Income c. Income from business or profession d. Income from house property</p> <p>(ii) In order to be eligible for deduction u/s 80D, payment for insurance premium should be made –</p> <p>a. in cash b. by bearer cheque c. in kind d. through account payee cheque/ account payee bank draft</p>	<b>CO 1</b>
Q 5	<p>(i) Deduction under section 24(a) is –</p> <p>a. 1/3<sup>rd</sup> of NAV b. repairs actually incurred by the owner c. 30% of NAV d. Interest on borrowed capital</p>	<b>CO 2</b>

	<p>(ii) Ganesh received Rs. 60,000 from his friend on the occasion of his birthday, then –</p> <p>a. The entire amount of Rs. 60,000 is taxable  b. Rs. 50,000 is taxable  c. The entire amount is exempt  d. Rs. 10,000 is taxable</p>	
Q 6	<p>(i) Incomes which accrue or arise outside India but received directly in India are taxable in case of –</p> <p>a. resident and ordinary resident only  b. both resident and ordinarily resident and resident but not ordinarily resident  c. non – resident  d. All the above</p> <p>(ii) Maximum period for which speculation loss can be carried forward is –</p> <p>a. 4 years  b. 8 years  c. indefinitely  d. not allowed to be carry forward</p>	<b>CO 2</b>
<b>SECTION B</b>		
<p><b>1. Each Question will carry 10 Marks</b>  <b>2. Instruction: Write Short / brief notes</b></p>		
Q 7	Mr Anmol, a resident individual aged about 62 years, has earned business income (computed) of Rs. 5,50,000, lottery income (casual income) of Rs. 1,00,000 (Gross) during the P.Y. 2020-21. He also earned interest on Fixed Deposits of Rs. 70,000 with Banks. He invested an amount of Rs. 1,50,000 in Public Provident Fund account. What will be the total income and amount of Income Tax Payable of Mr. Anmol for the A.Y. 2021-22.	<b>CO 3</b>
Q 8	Explain the provisions of presumptive taxation scheme under section 44AD & 44ADA.	<b>CO 2</b>
Q 9	Miss Payal made the following investments/expenses during the F.Y. 2020-21, you are required to calculate the amount of eligible deduction under Chapter VI A of Income Tax Act, 1961. Explain with relevant provisions.	<b>CO 3</b>
	<p>(i) LIC Premium paid- Rs 1,40,000  (ii) Term Insurance Premium Paid- Rs 20,000</p>	

	(iii) School Tuition fees of his friend's daughter- Rs 40,000 (iv) Medical checkup expenses incurred in cash – Rs 4,000 (v) Donation in Prime Minister's National Relief Fund in cash – Rs 40,000	
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Q 10	<p>The following are the details relating to Mr. Sapan Gupta, a resident Indian, aged 55, relating to the year ended 31.03.2021:</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Income from salaries (computed)</td> <td>2,20,000</td> </tr> <tr> <td>Loss from house property</td> <td>1,90,000</td> </tr> <tr> <td>Loss from cloth business</td> <td>2,40,000</td> </tr> <tr> <td>Income from speculation business</td> <td>30,000</td> </tr> <tr> <td>Long-term capital gains from sale of urban land</td> <td>2,50,000</td> </tr> <tr> <td>Short Term capital loss from sale of house</td> <td>5,50,000</td> </tr> </tbody> </table> <p>Compute the total income and show the items eligible for carry forward.</p>	Particulars	Amount	Income from salaries (computed)	2,20,000	Loss from house property	1,90,000	Loss from cloth business	2,40,000	Income from speculation business	30,000	Long-term capital gains from sale of urban land	2,50,000	Short Term capital loss from sale of house	5,50,000	CO 4
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Q 11	<p>Mr Swaraj, has taken a loan of Rs. 25 lakhs from SBI. Loan was sanctioned on 01.04.2020 and disbursed on 01.05.2020. Loan was taken for purchase of electric vehicle. Cost of electric vehicle is Rs 28 lakhs. Rate of interest is 10% p.a.. Compute the amount of deduction allowable under provisions of Income Tax Act 1961 for the A.Y. 2021-22 in hands of Mr Swaraj. Assume that there has been no principal repayment during the P.Y. 2020-21.</p> <p style="text-align: center;"><b>OR</b></p> <p>Mr Rohit, an Indian citizen, left India on 22.09.2020 for the first time to work as an officer of a company in Canada. Determine the residential status of Rohit for the A.Y. 2021-22.</p>	CO 3
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**SECTION C**

1. Each Question will carry 20 Marks
2. Instruction: Write Long Answer

Q 12	<p>Mr. Sparsh, aged 42 years, working in Indus Industries, Mumbai, produces the following information for the Assessment Year 2021-22 before you. As a tax consultant, you are required to answer the following:</p> <p>a. Income Tax amount which is required to be paid by Sparsh while filling his Income Tax Return</p> <table border="1"> <thead> <tr> <th>S no</th> <th>Particulars</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	S no	Particulars	Amount				CO 4
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A.	<b><u>Salary Details</u></b>	
	Basic Pay	Rs. 50,000 p.m.
	Dearness Allowance (Forming Part of Retirement benefits)	Rs. 25,000 p.m
	Commission	Rs. 20,000 p.m.
	Entertainment Allowance	Rs. 30,000 p.a
	Professional Taxes Paid	Rs. 5,000 p.a (Rs. 3,000 was paid by employer and balance Rs 2,000 was paid by employee from his own)
	Medical expenses reimbursed	Rs. 50,000
	Children Education Allowance for his son	Rs. 1,200 per month
	Hostel Expenditure Allowance for his son	Rs. 1,000 p.m.
	House Rent Allowance	Rs. 15,000 p.m.
	Actual Rent paid during the year	Rs. 2,40,000
B.	<b><u>Capital Gain Details</u></b>	
	He purchased a residential house in January 2020 for Rs. 53,00,000/- in Kanpur seeking his upcoming transfer in job in April 2022. However due to change in plan of transfer from Mumbai to Kanpur, he sold out the house in December 2020 for Rs. 56,00,000/-.	
C.	<b><u>House Property Details of house at Kanpur</u></b>	
	Expected Rent	Rs. 15,000 p.m.
	Actual Rent received from April to December 2019	Rs. 20,000 p.m.

	Municipal Taxes Paid	Rs. 60,000	
<b>D.</b>	<b><u>Investment Details</u></b>		
	Premium Paid of LIC	Rs. 50,000	
	Premium Paid for Term Insurance	Rs. 35,000	
	Investment in 5 years Tax Saver Fixed Deposit	Rs. 40,000	
	Investment in Public Provident Fund	Rs. 50,000	
	Medical Checkup expenses incurred in cash	Rs. 3,000	
	Medical Insurance policy covering him only	Rs. 12,000	
	Donation in Prime Minister's National Relief Fund by online transfer	Rs. 70,000	