

SRN - 05

## M.Com. (Semester - II) Examination, April 2016 COC 205 : CORPORATE TAX PLANNING AND MANAGEMENT (OA - 18)

Duration: 3 Hours Max. Marks: 60

- Instructions: 1) This paper consists of nine questions carrying equal marks.
  - 2) Question No. 1 consists of 5 compulsory questions of 2 marks each.
  - 3) Answer any 5 questions from question 2, 3, 4, 5, 6, 7, 8 and 9.
  - 4) Each guestion carries 10 marks. Figures to the right indicate marks.
- 1. Answer the following questions in brief:

 $(5 \times 2 = 10)$ 

- a) What are the due dates of filing of return?
- b) State the conditions for claiming depreciation and additional depreciation.
- c) How to determine the residential status of a Firm, AOP and BOI?
- d) Compute the taxable HRA for Mr. Ganesh for the A.Yr. 2015-16.

Basic salary Rs. 50,000 per month

Dearness Allowance Rs. 20,000 per month

House Rent Allowance received Rs. 20,000 per month

Mr. Ganesh pays rent of Rs. 10,000 per month for a house in Goa.

e) Mr. Sanket receives the following gifts during the previous year 2014-15. Compute the amount chargeable to tax in his hands for the assessment year 2015-16.

Sanket receives gift of Rs. 40,000 from his friend Sunil on 10th April 2014. He receives another gift of Rs. 10,000 from Chaya, who is cousin of his father. On the occasion of his marriage, he gets Rs. 1,70,000 as gift on 24th July 2014. On 10th October 2014, he purchases a house property from his friend for Rs. 45,00,000 (Stamp duty value of the property is Rs. 50,00,000).

## 2. Explain the following:

- a) Exemption from capital gain on transfer of land used for agricultural purposes u/s 54B.
- b) Tax provisions with respect to Gratuity received by employee.

5 5

P.T.O.



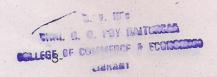
10

3

7



Asset



- e) Medical bills reimbursement Rs. 48,000 (out of which Rs. 18,000 is in respect of treatment in a Govt. Hospital)
- f) Medi claim insurance on life of Mr. Anish Rs. 7,000

contributes Rs. 1,50,000 towards PPF.

g) Entertainment allowance - Rs. 6,000 per month. Income of Mr. Anish from other sources is Rs. 1,70,000. Find out the taxable income of Anish for the A. Yr. 2015-16 on the assumption that, Anish

8. a) Determine the advance tax payable by the following assessees for the

A. Yr. 2015-16.

Particulars	Mr. Sundar	M/s Asha Associates	Lifex & co. Pvt. Ltd.
Net Income	5,00,000	4,50,000	10,00,000
Tax liability	94,000	1,35,000	3,00,000
Add: Surcharge	Nil	Nil	Nil
Add: SAH Education Cess	2,820	4,050	9,000
Total	96,820	1,39,050	3,09,000

b) Mr. John owns the following assets as on 1st April 2014.

WDV as on 31st March 2014 Rate of Depreciation

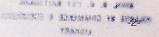
Furniture	25,00,000	15%
Building	21,50,000	10%
Car	5,20,000	20%
Other vehicles	7,50,000	25%

During the year he purchased the following assets:

<b>Date of Purchase</b>	Date when put Asset	Cost	Rate of
	to use		Depreciation
	a Dollary for a Asiourtical se		av en lanki
1-4-0 - 1 - 0011	1 = 15 G		

15th October 2014 15th Oct. 2014 Motorcycle 62,000 25% 21st July 2014 21st Jul 2014 Building 1,00,000 10% 2<sup>nd</sup> October 2014 15th April 2015 Car 4,80,000 20%

Determine the depreciation for the Assessment Year 2015-16, assuming that the assets purchased during the year are put to use on the same day.





3. Explai	in the follow	ring:
-----------	---------------	-------

- a) Alternate Minimum Tax (AMT).b) Provisions with respect to Interest on Borrowed Capital u/s 24 (ii).
- 4. What are the tax planning aspects to be considered in respect of employee's remuneration?
- 5. What are perquisites? Explain the valuation of any 2 perquisites in the hands of employees.
- 6. Smita owns two houses which are used by her for residential purposes:

	House	House II
Municipal Value	30,000	70,000
Fair rent	40,000	58,000
Standard Rent	37,000	74,000
Municipal tax paid by Smita	3,000	16,000
Insurance Premium	1,000	2,000
Land Revenue (Outstanding)	600	ofuqmoO (4
Ground Rent (Outstanding)	1,700	2,110
Interest on capital borrowed to pay municipal tax	600	400
Interest on capital borrowed for purchase/construction or		
reconstruction (borrowed after 1st April 1999)	11,060	75,900
Interest on capital borrowed for repairs of the property	1,000	1,500

Find out the net income of Ms. Smita for the Assessment Year 2015-16 taking into consideration the following information: Income from other sources is Rs. 5,75,000. Smita deposited Rs. 10,000 in PPF during the previous year 2014-15.

10

- 7. Anish (age 66 yrs.) was in the State Govt. service till his retirement on 31-3-2014 when he joins Nirma Ltd. During the previous yr. 2014-15, he gets the following from Nirma Ltd.
  - a) Basic salary Rs. 30,000 per month
  - b) DA Rs. 4,000 per month
  - c) Overtime allowance upto 30-6-2014 Rs. 5,000 per month
  - d) Helper allowance for office use Rs. 1,500 per month (expenditure Rs. 1,000 per month)



10

9. Sunita purchased a house property on 15<sup>th</sup> August 2001 for Rs. 5,00,000. This property was sold by her for Rs. 50,00,000 on 1<sup>st</sup> December 2014. She incurred expenses of Rs. 50,000 on transfer of this property. On 1<sup>st</sup> March 2015 she deposited an amount of Rs. 21,00,000 in Capital Gains Deposit Account Scheme. She purchased a new house property by withdrawing from the deposit account on 1<sup>st</sup> March 2017 for Rs. 15,00,000.

You are required to compute the Capital Gains for the A. Yr. 2015-16 and 2017-18.

Year	Cost Inflation Index
1999-2000	389
2000-01	406
2001-02	426
2002-03	447.
2010-11	000.08 × 711.00 8
.2011-12	000,881 785 0
2012-13	852
2013-14	939
2014-15	060.98 1 1024