

2018  
COMMERCE  
Paper-403  
TAX PLANNING

Full Marks: 80

Time: 3 Hour

*The figures in the margin indicate full marks for the question :*

1. Answer the following questions:

1x12=12

i. What is Tax Planning?

ii. State True or False:

Tax evasion and Tax avoidance are same under Income Tax Act.

iii. What is Agricultural income?

iv. Transport allowance exempted up to the limits of

a) Rs.800/- p m b) Rs.200/- p m c) Rs.1600/- p m d) None of one

v. Define Short term Capital gain.

vi What is annual value?

vii. State True or False:

As per section 54B agricultural and should have been used by the assessee or his parents for at least two years immediately before the date of transfer.

viii. What is Fair Market value?

ix. The 1st installment of Advance payment of Tax payable on

a) 31<sup>st</sup> April b) 30<sup>th</sup> June c) 15<sup>th</sup> September d) 15<sup>th</sup> December

x. Fringe Benefit Tax come into force from

a) 1<sup>st</sup> April 2005 b) 1<sup>st</sup> April 2008

c) 1<sup>st</sup> April 2010 d) None of one

xi. Association of Person is defined as a person under section.....of the Income Tax Act.

xii. Dividends or any other income distributed by UTI or a foreign company, are chargeable to tax under.....head.

2. Answer the following questions (any four):  $5 \times 4 = 20$

- (i) Distinction between Tax Evasion and Tax avoidance.
- (ii) Mr. Narzary is the owner of a house, the information of house as under: Municipal value of the house is ₹80,000/- Fair Rent is ₹130,000/- Standard Rent under Rent Control Act is ₹110,000/- The house property has been let for ₹13,000/- P.M. Municipal Taxes paid during the year were ₹16,000/- The house was vacant for two months during the previous year.

Compute the Net Annual Value for Assessment Year 2017-2018.

- (iii) Define the meaning of Capital Assets. Discuss the various types of Capital Assets.
- (iv) What is Tax planning and advance payment Tax?
- (v) Write a short note on Taxation of Joint Venture.

3. Answer the following questions (any four):  $12 \times 4 = 48$

- (i) Explain briefly Tax Planning, its Objectives, and Method of Tax Planning.
- (ii) Mr. Boro is employed in a Private limited company in Jaipur, Rajasthan. During the previous year 2016-17 he received the following payments or perks from his employer:
- Basic salary ₹12,000/- P.M.
  - Dearness allowance ₹10,000/- P.M.
  - Entertainment allowance @ ₹1500/- P.M.
  - Servant allowance @ ₹500/- P.M.
  - Bonus for the year ₹70,000/-
  - Commission received ₹30,000/-
  - Free furnished accommodation for which the employee paid a rent of ₹5,000/- P.M. Cost of Furniture provided in the house is ₹15,000/-

h. Employer's contribution to Recognised Provided Fund @ 13% P.A. on basic.

- Uniform Allowance ₹400 P.M. (Actual expenditure ₹200/- P.M. on an average)
- During the previous year his employee deducted ₹2500/- as professional tax from his salary. Compute his income from salary for the assessment year 2017-2018
- Explain briefly Capital Gain in Agricultural Land section 54B of Income Tax Act 1961.
- Define Incomes which is chargeable under the head of Income from other sources.
- Discuss in detail the Joint venture and foreign collaboration.
- Explain in detail the various exempted incomes defined under the section of the Income Tax Act 1961.

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