647510 **BBAtaxCC6030** **Seat No :________**

B.B.A. Semester - 6 (*CBCS*) Examination
May/June-2021 (OLD COURSE)
TAX PLANNING AND MANAGEMENT(CORE)

Time: 1:30 Hours **Marks: 42**

Instructions:
1. Figure to the right indicate marks.
2. There are five questions in the question paper.
3. Answer any three of the following questions.

Q.1 What is tax avoidance and Tax evasion? Explain deference between tax avoidance and Tax evasion? (14)

Q.2 Mr. Ajay Gohel furnishes following details of his investment for the financial year 2017-18. Calculate her taxable income under the head of Income from other Sources for A.Y. 2018-19. (14)

1. 12% tax free debentures of Shree Rahim Ltd. (TDS@20%) Rs. 2,00,000.
2. 8% Tax free Government of India securities Rs. 4,00,000.
3. 9% less tax bonds of Pihu Ltd. (TDS@10%) Rs. 100,000.
4. Agricultural Income from land in Rajasthan Rs. 7,60,000.
5. Agricultural income from land situated in America Rs. 9,00,000.
6. Director fee received from a company as an independent director Rs. 40,000.
7. Dividend received on shares of companies in UK Rs. 1,60,000.
8. Dividend received on shares of Dhanvi Ltd. Rs. 4,000.
9. Interest on 7% capital Investment Bonds Rs. 14,000.
10. Interest received on 10% tax free debenture of Ganga Ltd. (TDS @20%) Rs. 32,000.
11. Rent received from open plot of land situated in India Rs. 36,000.
12. Rent received from house property Sub- let out Rs. 32,000 (Cost of amenities provided to sub-tenant Rs. 6,000).

Bank commission paid for collection of dividend from Indian companies Rs. 4,00 and from companies in UK Rs. 1400.

Q.3 Mr. Sahaj has made the following payments during the previous year 2018-19: (14)

Particulars	Rs.
1. Contribution towards public provident fund	100,000
2. Contribution towards recognised provident fund	12,500
3. Children’s tuition fees (@ Rs. 8,000 per child)	24000
4. Life insurance premium on the life of married daughter (sum assured Rs. 1,00,000 policy taken on 1-4-2015)	12,000
5. Investment in unit of notified Mutual Fund for financing infrastructure facility.	20,000
6. Repayment of housing loan for construction of self-residential house	47,000
7. Investment as a term deposit with SBI (for 1 year)	20,000

Compute the total qualifying amount and actual amount of deduction U/s 80C, for the A.Y. 2019-20.

Q.4 Niyati & Co. is a partnership firm where partners Niyati and Vidisha share profit and losses equally. Their profit and Loss Accounts for the year ending on 31st March 2019. (14)

Particulars	Rs.	Particulars	Rs.
Cost of Goods sold	8,00,000	Sales	12,20,000
Office Salary	50,000	Interest on Investments	8,000
Interest on loan for purchase of Machinery	35,000	Long-term capital gains	10,000
		Short-term capital gains	15,000
Office rent	26,000	Winning from Lotteries	9,000
Commission to working partner : Niyati	25,000		
Interest on loan to Vidisha @ 20% p.a. who is a non-working partner	25,000		
Salary to working partner Niyati	1,25,000		
Salary to non-working partner Vidisha	30,000		
Interest on capital @ 21%			
Niyati 19,500	30,000		
Vidisha 10,500	10,000		
Reserve for bad debts	12,000		
Misc. Expenses	10,000		
Income-tax paid	84,000		
Net profit			
	12,62,000		**12,62,000**

Compute the Book Profit for the purpose of partner's remuneration. Also calculate maximum remuneration payable to the partners.

Q.5 Write Short notes: (Any two) (14)

1. Summary Assessment
2. Self-Assessment
3. Advance payment of tax
4. Electronic filing return

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