Jamia Hamdard
School of Management and Business Studies
Department of Management **Roll No...**
Even Semester Examination - July 2023
B.Com (Hons.) VI Semester
Subject Code- BCH 606
Subject Name –Personal Tax Planning

Duration: 3 Hour Max.Marks -75

Section A - Short Answer (5X6=30)

Note: Attempt any Six Questions, All questions carry equal marks

Q1: What are broad areas of distinction between tax avoidance and tax evasion? Give suitable example.

Q2: Discuss whether the following items of income constitute "agricultural income" for the purpose of the Income tax Act:

a. Income derived from rubber plantation in Singapore.
b. Rent received from a tenant to whom land in India has been let out and who uses it for cultivating wheat.
c. Dividend received by a shareholder from an Indian company the whole of whose income is agricultural income.
d. Income derived from sale of timber of spontaneous growth on Indian soil.

Q3: X, an employee of PQ Co. Ltd., receives Rs.78,000 as gratuity. He is covered by the payments of Gratuity Act, 1972. He retires on March 29, 2022 after rendering service of 38 years and 8 months. At the times of retirement his monthly basic salary and dearness allowances was Rs.2,400 and Rs.800, respectively. Is the entire amount of gratuity exempt from tax?

Q4: Describe your views on tax planning hints with reference to house property income.

Q5: Explain tax planning's hints with reference to capital gains.

Q6: Explain the deductions u/s 80D, 80DD.

Q7: X holds 20 % equity share capital in Y Ltd. Mrs. X is employed by Y Ltd. (salary being Rs.1,40,000 per month) as general manager (finance). She does not have any professional qualification to justify the remuneration. Ascertain in whose hands salary income is chargeable to tax. Does it make any difference if Mrs. X was employed by Y LTD.? Even prior to her marriage?

Q8: What is income tax rebate u/s 87 A? Explain eligibility to claim tax rebate in India.

Q9: Discuss the provisions regulating set off and carry forward of house property losses.

Section B-Long Answer

(15X3=45)

Note: Attempt any Three Questions; All questions carry equal marks

Q1: The following are the particulars of Mr. Ganesh's income during the previous year 2021-22

Particulars	Amount
(i) Agriculture income from land situated in Kanpur	23,000
(ii) Income from business in Chennai, the business managed from London	30,000
(iii) Income from electronics industry in Japan, its head office situated in Japan, out of this income Rs.50,000 brought in India	1,50,000
(iv) Income from business in Iran (Rs. 35000 the income from a business Which is controlled from India is included)	80,000
(v) Income from agriculture land in Srilanka and deposited in a bank there	50,000
(vi) Sudhir who is a non-resident paid interest on loan provided to him for a business carried on in India	28,000

Compute his taxable income for the assessment year 2022-23, if he is (a) Ordinarily resident, (b) Not Ordinarily resident and (c) Non resident.

Q2: X, a government employee, gets Rs.6,00,000 per annum as basic pay. In addition,

a) He receives Rs.72,000 as entertainment allowance. His actual expenditure on entertainment for official purposes, however, exceeds Rs.75000.
b) X also gets house rent allowances of Rs.90,000 from employer (rent paid at Delhi is Rs.80,000);
c) Income from other source is Rs.3,00,000;
d) X pays a sum of Rs.2800 on account of professional tax on March 31, 2022 (out of which Rs.1400 pertains to the previous year 2020-21); and
e) X contributes Rs.60000 towards recognized provident fund.

Can he claim deduction of actual amount spent by him on entertainment? Also determine the amount of net income of X.

Q3: What are tax planning hints with reference to salary income? (Any 15 points)

Q4: Explain provisions relating to presumptive schemes of computing business income under section 44AD and 44AE.

Q5: What is Gift as per income tax act? And when Gifts received are exempt from tax? Explain tax treatment of gifts received by an individual or HUF.

Q6: Income of X (age; 31 years) and Mrs. X (age: 30 years) for the previous year 2021-22 is as follows.

	X	Mrs. X
	Rs	Rs
Salary of X from B Ltd. 5,70,000 – standard deduction: Rs 50,000)	5,20,000	Nil
Business income	10,00,000	1,60,000
Bank interest (fixed deposit)	3,70,000	90,000
Total Income	18,90,000	2,50,000
Tax*	3,94,680	Nil

X is employed by B ltd (salary being Rs.5,70,000) without any technical or professional or educational qualification. Mrs X holds 20% equity share capital in B Ltd. From March 20, 2022. Find out the net income of X and Mrs. X for the assessment year 2022-23.

*Tax liability is calculated without considering the alternative tax regime of section 115BAC.