

MASTER OF COMMERCE
THIRD SEMESTER
TAX PLANNING AND MANAGEMENT
MCM – 303

**SET
A**

[USE OMR SHEET FOR OBJECTIVE PART]

Duration: 1.30 hrs.

Full Marks: 35

Time: 15 mins.

(Objective)

Marks: 10

Choose the correct answer from the following:

1 × 10 = 10

1. Permissive tax planning refers to:
 - a. Planning done in violation of tax laws
 - b. Planning to evade taxes through hidden transactions
 - c. Planning within the framework of legal provisions allowed by the government
 - d. Planning without considering any tax laws
2. Under Section 10AA, newly established SEZ units are eligible for 100% deduction of profits from export for the first:
 - a. 3 years
 - b. 5 years
 - c. 10 years
 - d. 15 years
3.takes into account the loop-holes of law.
 - a. Tax planning
 - b. Tax evasion
 - c. Tax management
 - d. Tax avoidance
4. For non-government employees not covered under the Payment of Gratuity Act, the exemption for gratuity is calculated as the least of the following except:
 - a. ₹20 lakh
 - b. Actual gratuity received
 - c. Half month's salary for each completed year of service
 - d. Full salary of the last 10 months
5. Listed equity shares will be treated as long-term capital assets if they are held by the taxpayer for a period of more than.....months immediately preceding the date of its transfer.
 - a. 12
 - b. 24
 - c. 36
 - d. 48
6. Advance tax is payable when the total tax liability of an assessee during a financial year is estimated to be:
 - a. ₹5,000 or more
 - b. ₹10,000 or more
 - c. ₹15,000 or more
 - d. ₹20,000 or more

7. Interest earned on bank deposits is taxable under which head of income?
- a. Income from Salary
 - b. Income from House Property
 - c. Income from Business or Profession
 - d. Income from Other Sources
8. When expenses incurred on replacement of an asset are capitalized it will
- a. Have no impact on tax liability
 - b. Decrease tax liability
 - c. Increase tax liability
 - d. None of the above
9. If an asset is obtained on lease, deduction can be claimed in respect of.....
- a. Depreciation
 - b. Lease rentals
 - c. Both (a) and (b)
 - d. None of the above
10. If a concern has surplus capacity and even decide to buy a product, it may require to sell a part of its plant and machinery. In such a case, it may be liable to
- a. Indirect tax
 - b. Deduct depreciation
 - c. Capital gain tax
 - d. None of the above

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(Descriptive)

Time : 1 Hr. 15 Mins.

Marks : 25

[Answer question no.1 & any two (2) from the rest]

1. What do you mean by tax deduction at source? Who is required to deduct tax at source? 2+3=5
2. "Tax Planning is a legal and moral way of Tax Savings." Explain this statement and describe the objectives of Tax Planning. 4+6=10
3. a) Mention any five types of income from house property that are not chargeable to tax. 5+5=10
b) Mr. K. Gupta own two houses. The particulars regarding the houses are as follows:

Particulars	House No. 1 (₹)	House No. 2 (₹)
Municipal Valuation	28,000	30,000
Fair Rent	25,000	36,000
Standard Rent	26,000	-
Actual rent received	30,000	28,200

Prepare a statement showing the determination of the Gross Annual Value of each of the two houses for the assessment year 2024-25.

4. Mr. Alfrin Marak was an employee of a Private Limited Company. He is not covered by the Payment of Gratuity Act, 1972. He retired from service on 31st December, 2022 after rendering 35 years and 10 months service to the company. He received ₹ 2,50,000 as gratuity from his employer. His salary was ₹ 8,000 per month up to 30th June, 2022 and ₹ 9,000 per month from 1st July, 2022. In addition, he gets Rs. 1,000 per month as dearness allowances and ₹ 1,000 per month medical allowance. 10

Ascertain the amount of gratuity

- (i) Exempted from tax
- (ii) Taxable

5. Explain capital structure decisions in detail from taxation point of view. 10

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