

MASTER OF COMMERCE
THIRD SEMESTER [SPECIAL REPEAT]
TAX PLANNING AND MANAGEMENT
MCM – 303
[USE OMR SHEET FOR OBJECTIVE PART]

SET
A

Duration: 1.30 hrs.

Full Marks: 35

Time: 15 mins.

(Objective)

Marks: 10

Choose the correct answer from the following:

1 × 10 = 10

- tax planning refers to year to year planning to achieve some specific or limited objective.
 - Short range
 - Long range
 - Permissive
 - Purposive
-relates to past, present and future.
 - Tax planning
 - Tax management
 - Tax avoidance
 - Tax evasion
-takes into account the loop-holes of law.
 - Tax planning
 - Tax management
 - Tax avoidance
 - Tax evasion
- Gratuity received by a government employee is
 - Fully exempted
 - Partly exempted
 - Fully taxable
 - Exempted up to Rs. 1,00,000
- 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.
 - 12
 - 24
 - 36
 - 48
- Advance tax shall be payable during the financial year, only when the amount of such advance tax payable by the assessee during that year is
 - Rs. 5,000 or more
 - Rs. 10,000 or more
 - Rs. 15,000 or more
 - Rs. 20,000 or more
- Which of the following will not be considered 'Dividend' u/s 22(2) of Income Tax Act, 1961?
 - Distribution entailing release of company's assets
 - Issuing Right Shares to shareholders
 - Distribution on liquidation of company
 - Distribution on reduction of share capital

8. To reduce tax liability, in case of income is high in relevant years, the pace of repair and renewal can be
- a. Faster
 - b. Slower
 - c. Neutral
 - 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 an asset is used for scientific research related to the business of assessee, is used in business for sometime and then sold, the selling price is deducted from the written down value of the block of asset. This will reduce
- a. Profit of that year
 - b. Loss for that year
 - c. Tax liability for that year
 - 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. Mr. Rick is the owner of a house. Particulars regarding the house are as under: 5
Municipal value of the house is Rs. 66,000.
Fair rent Rs. 96,000.
Standard rent under the Rent Control Act Rs. 84,000.
The house property has been let out for Rs. 7,500 p.m.
Municipal taxes paid by the tenant during the year were Rs. 5,000.
The house was vacant for three months during the Previous Year 2020-21.
Compute the Net Annual Value for Assessment Year 2021-22.
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. Mr. Ravi Sharma is entitled to get a pension of Rs.2,500 per month from Sun Ltd. He got three-fifth of the pension commuted and received Rs.1,00,000. Compute the taxable portion of commuted value of pension when 5+5=10
 - a) He does not receive gratuity
 - b) He receives Rs.50,000 as gratuity.
4. Discuss tax planning in respect of capital structure decisions of a company in India. 10
5. Discuss the tax provisions with respect to dividend policy under the Income Tax Act, 1961. 10

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