



Plot No. 2, Knowledge Park-III, Greater Noida (U.P.) – 201306

POST GRADUATE DIPLOMA IN MANAGEMENT (2018-20)
MID TERM EXAMINATIONS (TERM – IV)

Subject Name: Taxation For Managers
Sub. Code: PGF-05

Time: 01.30 hrs
Max Marks: 20

Note:

1. Writing anything except Roll Number on question paper will be deemed as an act of indulging in unfair means and action shall be taken as per rules.
2. All questions are compulsory in Section A, B & C. Section A carries 1 Case Study of 8 marks. Section B carries 3 questions of 2 marks each and Section C carries 2 questions of 3 marks each.

SECTION - A

04+04 = 08 Marks

Q. 1: Case Study:

(i) The following are incomes earned by Mr. X during the PY 2018-19:

- a) Income from House property in Canada Rs. 10,000 which was deposited in a bank in Canada. Out of this Rs. 4,000 were remitted to India.
- b) Royalty received in India Rs. 24,000
- c) Income earned from business in Sri Lanka Rs. 25,000, which is controlled from India, of which Rs. 15,000 were received in India.
- d) Agriculture income from Punjab Rs. 10,000
- e) Income accrued in India but received in Iran Rs. 6,000.
- f) Profits from business in Pakistan but this business is controlled from India Rs. 30,000

Determine the gross total income of Mr. X for AY 2019-20 if he is:-

- Ordinary Resident
- Not ordinary Resident
- Non - resident

(ii) Mr. Amit has one let out house at Madras. Compute Mr. Amit's Income from House Property.

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Municipal Valuation	3,50,000
Fair Rental Value	3,80,000
Standard Rent	3,20,000
Actual Rent	4,20,000
Unrealized Rent	35,000
Vacancy	2 months
Municipal Taxes	
Paid by the Owner	25,000
Paid by the Tenant	10,000
Repairs	8,000
Insurance premium	6,000
Other Expenses	10,000
Interest on Money Borrowed for the Purchase of House	60,000



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Institute of Management & Research

Approved by A.I.C.T.E., Ministry of HRD, Govt. of India

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SECTION - B

02×03 = 06 Marks

Q. 2: What do you understand by the term 'Business' and 'Profession' as used u/s 28 of the Income Tax Act, 1961?

Q. 3: Write a note on rebate of tax u/s 87A of the Income Tax Act, 1961?

Q. 4: Mr. Arun, a foreign citizen, left for England on 25th November, 2016 after having lived in India for 20 years. He returned to India on 1st September 2017 and stays for a period of 20 days. He again visits India on 15th January, 2019 and stays in India until 31st March, 2019. Determine his residential status for AY 2019-20 by specifying the suitable reason for the same.

SECTION - C

03×02 = 06 Marks

Q. 5. Give any six incomes which are totally or partially exempted from Income Tax u/s 10?

Q. 6. Mr. Atul gets a salary of ₹ 50,000 per month and he has been provided with rent free furnished accommodation at Delhi-NCR (Population 12 Lakhs). The Fair Rental Value (FRV) of the unfurnished house is ₹ 60,000 p.a. and Municipal Rental Value (MRV) is 62,000. He gets D.A. @ 40% of the salary which enters as per terms of employment. He gets education allowance of ₹ 600 p.m. for education of his son. The cost of furnishing of the house is ₹ 3, 50,000. Compute the Gross Salary.