

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

POST GRADUATE DIPLOMA IN MANAGEMENT (2023-25)
END TERM EXAMINATION (TERM -V)

Subject Name: TAX PLANNING FOR MANAGERS

Time: **02.00 hrs**

Sub. Code: PGF51

Max Marks: **40**

Note: All questions are compulsory. Section A carries 12 marks: 6 questions of 2 marks each, Section B carries 18 marks having 3 questions (with internal choice question in each) of 6 marks each and Section C carries 10 marks one Case Study having 2 questions of 5 marks each.

<u>SECTION - A</u>		
Attempt all questions. All questions are compulsory.		2×6 = 12 Marks
Questions	CO	Bloom's Level
Q. 1: (A). Define Assessee	CO1	L2
Q. 1: (B). Difference between AOP and BOI	CO1	L2
Q. 1: (C). Write down the conditions to determine residential status Company.	CO1	L2
Q. 1: (D). Mr. Raj is an employee of ABC Limited getting Basic Salary 40,000 per month, Dearness Allowance Rs 20,000 per month (50% part for retirement benefit), Company provides rent free accommodation in Delhi. Calculate the taxable of Rent-Free accommodation.	CO2	L5
Q. 1: (E). Write down the name of 4 taxable allowances.	CO2	L2
Q. 1: (F). Calculate Gross Annual Value of House if Municipal Value Rs. 1,00,000 per annum Fair Rent Rs. 1,10,000 per annum Standard Rent Rs. Rs. 1,20,000 per annum Actual Rent Rs. 1,05,000 per annum	CO2 CO2	L2 L5
(Three questions each from CO1 & CO2)		
<u>SECTION – B</u>		
All questions are compulsory (Each question has an internal choice. Attempt anyone (either A or B) from the internal choice)		6 x 3 = 18 Marks
Questions	CO	Bloom's Level
Q. 2: (A). Difference between Tax Planning and Tax avoidance, Or	CO3	L 4
Q. 2: (B). The shareholding of ABC Limited, a public limited company is as under: i) Govt. of India : 16% ii) RBI : 15% iii) Corporation wholly owned by RBI : 5% iv) Public : 64% Advise whether the company is one in which the public are substantially interested within the meaning of the Income tax act for the previous year ending 31 st March 2024, if – a. Its share are listed on a recognized stock exchange throughout the previous year; or b. Its share are listed on DSE w.e.f. Dec. 25, 2023	CO3	L 4

<p>c. Its share is not listed on any recognized stock exchange in India throughout the previous year.</p> <p>(internal choices with two questions corresponding to the same CO)</p> <p>Q. 3: (A). Mr. B owns a residential house, which was purchased by him in 1978 for Rs. 1,50,000. The fair market value of the house as on 1-4-2001 was Rs. 14,50,000. He sells this house on 15-12-2023 for a consideration of Rs. 75,00,000. The brokerage and other expenses on the transfer were Rs. 75,000. The due date of furnishing the return of income is 31-7-2024. Compute the capital gain for the assessment year 2024-25 if:</p> <p>(a) He invests Rs. 30,00,000 for the purchase of a new house on 31-6-2023 (CII for 2001-02: 100 and 2023-24: 348)</p> <p style="text-align: center;">Or</p> <p>Q. 3: (B). The net profit of ABC Limited for the previous year 2023-2024 is Rs. 100, 00,000 lacs after debiting/crediting the following items:</p> <ol style="list-style-type: none"> 1. Provision for income tax Rs. 15,00,000 2. Provision for deferred tax Rs. 8,00,000 3. Proposed dividend Rs. 20,00,000 4. Depreciation debited to P&L account is Rs. 12, 00,000. (This includes depreciation of revaluation of asset to the tune of Rs, 2, 00,000. 5. Provision for contingent liability Rs. 2,00,000 <p>Brought forward losses and unabsorbed depreciation as per books of account are as under:</p> <table border="1" data-bbox="167 1151 1189 1406"> <thead> <tr> <th>Previous Year</th><th>Brought forward loss</th><th>Unabsorbed depreciation</th></tr> </thead> <tbody> <tr> <td>2020-21</td><td>2, 00,000</td><td>5,00,000</td></tr> <tr> <td>2021-22</td><td>-</td><td>3,00,000</td></tr> <tr> <td>2022-23</td><td>10, 00,000</td><td>2,00,000</td></tr> </tbody> </table> <p>Compute Book Profit of the company for the assessment year 2024-25.</p> <p>Q. 4: (A). Explain the features of Goods and services tax.</p> <p style="text-align: center;">Or</p> <p>Q. 4: (B). Explain the rules regarding IGST, CGST and SGST</p>	Previous Year	Brought forward loss	Unabsorbed depreciation	2020-21	2, 00,000	5,00,000	2021-22	-	3,00,000	2022-23	10, 00,000	2,00,000	<p>CO3</p> <p>CO3</p> <p>CO4</p>	<p>L 5</p> <p>L 5</p> <p>L2</p>
Previous Year	Brought forward loss	Unabsorbed depreciation												
2020-21	2, 00,000	5,00,000												
2021-22	-	3,00,000												
2022-23	10, 00,000	2,00,000												
<p style="text-align: center;"><u>SECTION - C</u></p> <p>Read the case and answer the questions 5×02 = 10 Marks</p>														
Questions	CO	Bloom's Level												
<p>Q. 5: Case Study:</p> <p>Q. 5: (A). A and B propose to set up a business, either as a partnership or as a private limited company, with capital contribution of Rs.20,00,000 each @ 12%. Profit of the business, before charging their remuneration at Rs.25, 000 p.m. each and interest are estimated at</p>	CO3	L 6												

<p>Rs.18,00,000. Profits after tax are proposed to be distributed equally as profits/dividend. Advise them with appropriate workings, about the form of organization they should choose from the point view of tax implications involved in each case, assuming that they have no income other than that from the proposed business.</p> <p>Q. 5: (B). Decide which one is a better alternative – lease or buy – in the following situations: Tax rate: 34.944% Cost of capital: 12% Depreciation rate (Income – tax): 15% Lease cost: Rs 34,000 per annum for 5 years (per Rs. 1 lakh) Make any other suitable assumption, if necessary.</p> <p>(Entire Sec C to be assigned one CO. Both questions corresponding to the same CO)</p>	CO3	L6
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Kindly fill the total marks allocated to each CO's in the table below:

COs	Question No.	Marks Allocated
CO1	1 (A), 1(B), 1(C)	6 marks
CO2	1 (D), 1(E), 1(F)	6 marks
CO3	2, 3 and 5	22 Marks
CO4	4	6 marks
CO5		
CO6		

(Please ensure the conformity of the CO wise marks allocation as per your TLEP.)

Blooms Taxonomy Levels given below for your ready reference:

L1= Remembering

L2= Understanding

L3= Apply

L4= Analyze

L5= Evaluate

L6= Create