

**SET B**

**Roll No.**

**SAP ID**



**UNIVERSITY OF PETROLEUM AND ENERGY STUDIES**  
**End Semester Examination, July 2020**  
**Open Book – Through Blackboard Learning Management System**

**Course: Corporate Tax Planning (LLBL 485)**  
**Programme: Integrated B.Com. (LLB) Taxation Laws**

**Semester: VIII**

**Time: 03 hrs.**

**Max. Marks: 100**

**Instructions:**

As this examination is in open-book format, the students are expected to demonstrate a very high degree of Academic Integrity and not copy contents from resources referred. Instructors would look for understanding of the concept by the students and any similarity found from resources online/ offline shall be penalized in terms of deduction of marks and even cancellation of paper in requisite cases. The online examination committee of the School would also look for similarity of two answer scripts and if answer scripts of two or more students are found similar, both the answer scripts shall be treated as copied and lead to cancellation of the paper. In view of the aforesaid points, the students are warned that they should desist from using any unfair means.

**All Questions are Compulsory**  
**Answer each question in not more than 500 words**

S. No.		Marks	CO
1	<p><i>Fixed monetary payments for a specific purpose is known as allowance whereas any casual emolument, free or profit attached to an office or position, in addition to salaries or wages is called as perquisites. One such perquisite is Rent Free House/ Accommodation.</i></p> <p>In light of the above statement discuss how the value of Rent Free House is calculated under the head Salary?</p>	<b>20</b>	<b>CO2</b>
Ans.			
2	<p><i>Tax planning should be an integral part of one's finances. It's a loss if one doesn't make use of the available deductions and exemptions to save on taxes. Paying taxes is a way of contributing to the nation's development, but when the government provides with options to save taxes, it is always wise to do so. The Income Tax Act, 1961, provides taxpayers with several options to reduce their tax payable. Various sections offer tax deductions, out of which Section 80C is the most popular.</i></p> <p>In light of this statement explain the deduction under section:-                      (a) 80 C                      (b) 80 G</p>	<b>20</b>	<b>CO2</b>
Ans.			

**SET B**

3	<p><i>Payments in cash made by the employer to his employees monthly, other than salary, a fixed sum of money paid regularly in addition to salary for the purpose of meeting some particular requirement connected with the services rendered by an employee.</i></p> <p>In light of this statement discuss briefly the difference between the two and write a note on:</p> <p>Write notes on:-            (a) Dearness Allowance            (b) Recognised Provident Fund</p>	<b>20</b>	<b>CO2</b>																														
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4	<p>Mr. Brij received the following incomes during the Previous Year 2018-19:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr> <th style="width: 5%;"></th> <th style="width: 70%;"></th> <th style="width: 25%; text-align: right;">Rs.</th> </tr> </thead> <tbody> <tr> <td>(i)</td> <td>Interest on fixed deposit with Punjab National Bank</td> <td style="text-align: right;">5,000</td> </tr> <tr> <td>(ii)</td> <td>Royalty on stone mine</td> <td style="text-align: right;">17,000</td> </tr> <tr> <td>(iii)</td> <td>Dividend on shares of Arvinda Mills Ltd.</td> <td style="text-align: right;">4,000</td> </tr> <tr> <td>(iv)</td> <td>Prize of U.P. State Lottery (Gross)</td> <td style="text-align: right;">20,000</td> </tr> <tr> <td>(v)</td> <td>Horse race income (Gross)</td> <td style="text-align: right;">10,000</td> </tr> <tr> <td>(vi)</td> <td>Agricultural income in Myanmar</td> <td style="text-align: right;">13,000</td> </tr> <tr> <td>(vii)</td> <td>Interest on Post-office saving bank</td> <td style="text-align: right;">2,700</td> </tr> <tr> <td>(viii)</td> <td>Salary from a trader for part-time service</td> <td style="text-align: right;">12,000</td> </tr> </tbody> </table> <p>Considering the following points, find out his income from other sources for the Assessment Year 2019-20:</p> <p>(a) Bank Commission Rs.50 for dividend collection.            (b) He has purchased Lottery Tickets Rs.4,800 during the Previous Year.            (c) Rs.1,000 spent to keep account and collection of royalty.            (d) Tax deducted at source @ 30% in respect of lottery prize.</p>			Rs.	(i)	Interest on fixed deposit with Punjab National Bank	5,000	(ii)	Royalty on stone mine	17,000	(iii)	Dividend on shares of Arvinda Mills Ltd.	4,000	(iv)	Prize of U.P. State Lottery (Gross)	20,000	(v)	Horse race income (Gross)	10,000	(vi)	Agricultural income in Myanmar	13,000	(vii)	Interest on Post-office saving bank	2,700	(viii)	Salary from a trader for part-time service	12,000	<b>20</b>	<b>CO3, CO4</b>			
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5	<p>From the following particulars of Miss Minal Bhatnagar calculate her total income and tax liability for the Assessment Year 2019-20:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr> <th style="width: 5%;"></th> <th style="width: 70%;"></th> <th style="width: 25%; text-align: right;">Rs.</th> </tr> </thead> <tbody> <tr> <td>(i)</td> <td>Net salary</td> <td style="text-align: right;">6,68,000</td> </tr> <tr> <td>(ii)</td> <td>Business income</td> <td style="text-align: right;">1,83,000</td> </tr> <tr> <td>(iii)</td> <td>Royalty on CBSE Books</td> <td style="text-align: right;">66,000</td> </tr> <tr> <td>(iv)</td> <td>Rent from house property</td> <td style="text-align: right;">36,000</td> </tr> <tr> <td>(v)</td> <td>Dividend from Indian company</td> <td style="text-align: right;">28,500</td> </tr> <tr> <td>(vi)</td> <td>Bank interest on time deposit</td> <td style="text-align: right;">16,600</td> </tr> <tr> <td>(vii)</td> <td>Income from minor son</td> <td style="text-align: right;">15,500</td> </tr> <tr> <td>(viii)</td> <td>Long term capital gain</td> <td style="text-align: right;">28,000</td> </tr> <tr> <td>(ix)</td> <td>Contribution to P.P.F.</td> <td style="text-align: right;">40,000</td> </tr> </tbody> </table>			Rs.	(i)	Net salary	6,68,000	(ii)	Business income	1,83,000	(iii)	Royalty on CBSE Books	66,000	(iv)	Rent from house property	36,000	(v)	Dividend from Indian company	28,500	(vi)	Bank interest on time deposit	16,600	(vii)	Income from minor son	15,500	(viii)	Long term capital gain	28,000	(ix)	Contribution to P.P.F.	40,000	<b>20</b>	<b>CO3, CO4</b>
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## SET B

	(x)	Life Insurance Premium paid	26,000		
	(xi)	Medical Insurance Premia paid by cheque	32,000		
	(xii)	Donation to National Defence Fund by cheque	10,000		
Ans.					

**I, ....., understand that submitting work that isn't my own may result in failure in this paper and I may also be subject to Disciplinary Proceedings as per the Academic Integrity policy of the University.**