

Name:
Enrolment No:



UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, May 2023

Course: Tax Planning
Program: INT B Com (MBA)
Course Code: FINC 2080

Semester : 4th
Time : 03 hrs.
Max. Marks: 100

Instructions:

SECTION A
10Qx2M=20Marks

Q 1	Explain the term 'Tax management'?	2	CO1
Q 2	Explain the term 'Tax avoidance'?	2	CO1
Q 3	Explain the term 'Tax planning'?	2	CO1
Q 4	Which section states that tax rebate for Assesse like Individuals? A) 86 A B) 87 A C) 89 B D) 90 B	2	CO1
Q 5	State the any four 80 C deduction schemes?	2	CO1
Q 6	Explain the term Resulting company?	2	CO1
Q 7	What is meant by 'Amalgamation'?	2	CO1
Q 8	A scheme of Amalgamation; which section deals the expenditure for revenue and capital A) 36DD B) 45 DD C) 67DD D) 35 DD	2	CO1
Q 9	Explain the term dividend distribution tax?	2	CO1
Q 10	Explain the limited liability partnership firm (LLP) tax liability?	2	CO1

SECTION B
4Qx5M= 20 Marks

Q 11	Explain the difference between Tax planning and Tax management?	5	CO2																														
Q 12	Mr. Vikram Batra prepared the following profit and loss account of his hotel business for the year ended 31 st March 2021. Find out his income from business 2020-2021 AY?	5	CO2																														
	<table border="1"> <thead> <tr> <th>Particulars</th> <th>Amount</th> <th>Particulars</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Salaries and wages</td> <td>33,000</td> <td>Gross profit</td> <td>3,34,725</td> </tr> <tr> <td>Rent</td> <td>1,600</td> <td>Gifts received from relatives</td> <td>275</td> </tr> <tr> <td>Household expenses</td> <td>82,000</td> <td></td> <td></td> </tr> <tr> <td>Income tax</td> <td>900</td> <td></td> <td></td> </tr> <tr> <td>Advertisement</td> <td>800</td> <td></td> <td></td> </tr> <tr> <td>Postage expenses</td> <td>600</td> <td></td> <td></td> </tr> <tr> <td>Gifts to relatives</td> <td>900</td> <td></td> <td></td> </tr> </tbody> </table>			Particulars	Amount	Particulars	Amount	Salaries and wages	33,000	Gross profit	3,34,725	Rent	1,600	Gifts received from relatives	275	Household expenses	82,000			Income tax	900			Advertisement	800			Postage expenses	600			Gifts to relatives	900
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Fire insurance premium	400		
Life insurance premium	2100		
Bad debts Reserves	800		
Audit fee	400		
Net profit	2,11,500		
Total	<u>3,35,00</u>	Total	<u>3,35,000</u>

Q 13	Explain the steps for computation of book-profit?	5	CO2
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Q 14	What do you understand tax planning for business?	5	CO2
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SECTION-C
3Qx10M=30 Marks

Q 15	Describe the tax provisions of dividend distribution tax?	10	CO3
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Q 16	Explain the important provisions for advance payment tax?	10	CO3
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Q 17	Find out the tax liability under the following details Profit before interest, salaries, and tax 15,00,000 Interest on capital 3,00,000 Salary paid 5,00,000 Assesse (ABC Pvt Ltd as a LLP). 80 C Rs 10,000, 80 G Rs 25, 000. The organization run and managed by 3 persons. So, find out the tax liability as firm @ 20% only?	10	CO3
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SECTION-D
2Qx15M= 30 Marks

Q 18	<p>Compute the purchase consideration on account of Demerging scheme</p> <p>Campa cola company has two manufacturing units; namely, Dehradun and Roorkee. The company product is selling soft beverages. Due to huge losses booked at Roorkee unit, company transfer the Roorkee unit to Pepsi company. Therefore, you would request to you to prepare the purchase consideration.</p> <p>From the following particulars balance sheet as on 31-03-2022 of Campa Cola Pvt ltd.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Liabilities</th> <th style="width: 20%;">Amount</th> <th style="width: 30%;">Assets</th> <th style="width: 20%;">Amount</th> </tr> </thead> <tbody> <tr> <td>Share capital</td> <td>7,50,00,000</td> <td><u>Dehradun Unit</u></td> <td></td> </tr> <tr> <td>Reserves and Surplus</td> <td>50,00,000</td> <td>Fixed Assets</td> <td>2,00,00,000</td> </tr> <tr> <td></td> <td></td> <td>Current Assets</td> <td>3,00,00,000</td> </tr> <tr> <td><u>Creditors</u></td> <td></td> <td><u>Roorkee Unit</u></td> <td></td> </tr> <tr> <td>Dehradun Unit</td> <td>15,00,000</td> <td>Fixed Asset</td> <td>2,00,00,000</td> </tr> <tr> <td>Roorkee Unit</td> <td>7,00,000</td> <td>Current Assets</td> <td>2,71,00,000</td> </tr> </tbody> </table>	Liabilities	Amount	Assets	Amount	Share capital	7,50,00,000	<u>Dehradun Unit</u>		Reserves and Surplus	50,00,000	Fixed Assets	2,00,00,000			Current Assets	3,00,00,000	<u>Creditors</u>		<u>Roorkee Unit</u>		Dehradun Unit	15,00,000	Fixed Asset	2,00,00,000	Roorkee Unit	7,00,000	Current Assets	2,71,00,000	15	CO4
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	<p>Bills payable</p> <table border="1"> <tr> <td>Dehradun unit only</td> <td>4,50,000</td> <td></td> <td></td> </tr> <tr> <td>Short term loan</td> <td>45,00,000</td> <td></td> <td></td> </tr> <tr> <td>Other than current liabilities</td> <td>1,00,00,000</td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td>9,71,50,000</td> <td>Total</td> <td>9,71,50,000</td> </tr> </table> <p>Shareholders of Roorkee unit</p> <ul style="list-style-type: none"> • A 15% • B 45% • C 12% • D 23% • E 05% • Finally, PEPSI company agreed to give shares of their company to the Roorkee unit shareholders on above proportionate basis. <p>So find out the each shareholder share of purchase consideration.</p>	Dehradun unit only	4,50,000			Short term loan	45,00,000			Other than current liabilities	1,00,00,000			Total	9,71,50,000	Total	9,71,50,000		
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Q 19	<p>Satyam Ltd submitted the following details</p> <table border="0"> <tr> <td>EBT</td> <td>18,00,000</td> <td></td> </tr> <tr> <td>Number of directors and partners</td> <td></td> <td>3</td> </tr> </table> <p>And company and firm paid 12,00,000 remunerations to directors Interest on capital 14.5% Capital contributed is 47,50,000 of all director/ partners Find out the tax at 22% of company and partnership firm. Besides impose 3% surcharge of the company and firm as well?</p> <p>Company and firm can be availing the deductions of 80 G is 60, 000, besides that partners and directors can availed the deductions like 80 C worth of 35, 000 and donated a lum-sum amount of Rs 15, 000 to the recognized political party as per 80 G.</p>	EBT	18,00,000		Number of directors and partners		3	15	CO4										
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Individual tax slab rates

Income tax slab rate	Tax rates
0- 2.5lakh	Nil
2.5 - 5 lakhs	5 %

5.00 - 7.5 lakhs	10%
7.5 – 10 lakhs	15%
10.00- 12.5 lakhs	20%
12.5 – 15 lakhs	25%
Above 15 lakhs	30%