


Name:			
Enrolment No:			
UPES End Semester Examination, December 2023			
Course: Income Tax and Tax Planning (Hons. 2)		Semester: VII	
Program: BBA LL.B/ BA LL.B/ BCOM LL.B (Tax Law Hons.)		Time : 03 hrs.	
Course Code: CLTX4009		Max. Marks: 100	
Instructions: All questions are compulsory. Calculators are permitted.			
SECTION A (5Qx2M=10Marks)			
S. No.		Marks	CO
Q 1	State the objective and the concept of Tax Haven.	2	CO1
Q2	Define Previous Year and Assessment Year under the Income Tax Act, 1961.	2	CO1
Q3	The deduction limit together for section 80C, section 80CCC and section 80CCD(1) is -----	2	CO1
Q4	Distinguish between Tax Avoidance and Tax Evasion.	2	CO1
Q5	Deduction with respect to Medical Insurance Premium is provided under Section 80D (True/False).	2	CO1
SECTION B (4Qx5M= 20 Marks)			
Q6	Explain the eligibility, condition, and quantum of Deduction in respect of Medical Expenses for assessee himself and dependent relative under Section 80 DDB of the Income Tax Act, 1961.	5	CO2
Q7	State the objectives for introduction of GAAR in India along with its evolution.	5	CO2
Q8	Explain the allowable deductions under section 57 of the Income Tax Act, 1961 to compute the income under the head 'other sources'.	5	CO2
Q9	Describe the steps involved in Set Off and Carry-forward of income.	5	CO2
SECTION-C (2Qx10M=20 Marks)			

Q10	<p>Mr. A owns two houses. The expected rent of the house one is Rs. 65,000. This house was let out for Rs. 7,500 p.m. But the rent for the months of February and March, 2022 could not be realized. The expected rent of another house is Rs. 1,50,000. This house was let out for Rs.12,000 p.m. But the rent for the last three months of the FY 2021-22 could not be realized. Discuss the conditions under which it would be deemed that this unrealized rent is lost and cannot be recovered. What would be the tax treatment of this unrealized rent when it is received subsequently by Mr. A (paid by tenant) in FY 2023-24.</p>	10	CO3
Q11	<p>Mr. A is employed by XYZ Pvt. Ltd. He receives basic salary and dearness allowance of Rs. 65,000 p.m. and Rs. 8,000 p.m., respectively. XYZ Pvt. Ltd. has provided Mr. A with a rent-free furnished house at Jaipur (population 58 lakhs as per 2011 census). The accommodation is owned by XYZ Pvt. Ltd. but the rent for the furniture is Rs. 800 p.m. Mr. A occupies the house for a period of 8 months.</p> <p>Discuss the valuation of this rent-free furnished accommodation as a perquisite at the hands of Mr. A, the assessee.</p>	10	CO3
SECTION-D (2Qx25M=50 Marks)			
Q12	<p>XYZ is a Private Limited Company engaged in the manufacturing and sale of cars. Its director, Mr. Oberoi was kidnapped while on his way to a business meeting. An amount of Rs. 50 Lacs was demanded as ransom against his release. The said amount was claimed as business loss by the company and the company contended that the amount should be allowable as deduction while computing its taxable income.</p> <p>a) Analyze whether the said amount can be claimed as a deduction by the company. Support your answer with relevant case law. (15 marks)</p>	25	CO4

	b) Discuss various deductions/ expenditure allowed in respect of income under the head Profits and Gains from Business and Profession. (10 marks)		
Q13	<p>X (age 67 years), a director of PQR Pvt. Ltd., gives the following particulars of his income of the previous year ending March 31, 2022:</p> <p>Basic Salary: Rs 1,45,000 per month</p> <p>Commission p.a.: Two months' basic salary</p> <p>Entertainment allowance: Rs. 60,000 p.a.</p> <p>House Rent Allowance: Rs. 6,000 p.m. (rent paid is Rs. 9,000 p.m. at Bhopal)</p> <p>Employer's contribution towards recognized provident fund: 15% of basic salary</p> <p>Facility of sweeper, watchman, cook provided by the employer (salary paid by the employer): Rs. 1,200 per month per person</p> <p>Income from other sources: Rs. 2,07,000 p.a.</p> <p>Determine the taxable income and tax liability of X for the AY 2022-23 as per old regime.</p>	25	CO4