

Total No. of Questions : 4]

SEAT No. :

PA-4211

[Total No. of Pages : 4

[5956]-205

M.Com.-I

204 : BUSINESS TAX ASSESSMENT AND PLANNING
Group-A : Advance Accounting and Taxation (Special Paper-IV)
(CBCS 2019 Pattern) (Semester-II)

Time : 3 Hours]

[Max. Marks : 60

Instructions to the candidates:

- 1) *Question No. 1 is compulsory.*
- 2) *Attempt any two questions from questions no.2 to questions no.4*
- 3) *Figure to right indicate full marks.*
- 4) *Use of simple calculator is allowed.*

Q1) A) a) Fill in the blanks (any 5)

[5×1=5]

- i) _____ is a tax charged on the annual income earned by an individual.
 - 1) Income Tax
 - 2) Wealth Tax
 - 3) State Tax
- ii) _____ acts as a steady source of revenue for the government.
 - 1) Payments
 - 2) UPS
 - 3) TDS
- iii) _____ aims to ensure that taxpayers don't pay double taxes on the income earned from the home country and the host country.
 - 1) Double Taxation Avoidance Agreement
 - 2) Single Taxation Avoidance Agreement
 - 3) Direct Taxation Avoidance Agreement
- iv) Types of assessment includes:
 - 1) Self-assessment
 - 2) Regular assessment
 - 3) Both 1 and 2

P.T.O.

- v) _____ means avoiding of tax liability illegally
- 1) Tax avoidance
 - 2) Tax evasion
 - 3) Tax planning
- b) Match the following. [5×1=5]
- | | |
|--------------------------|---|
| i) UTGST | a) Co-operative societies engaged in a cottage industry |
| ii) 100 % deduction | b) Union Territory Goods and Services Tax. |
| iii) Tax avoidance | c) Clubbed in the income of one of his parents. |
| iv) 271CA | d) Using the loopholes of law to reduce tax. |
| v) Income of minor child | e) Failure to collect tax at source. |
- c) State whether True or False. [5]
- i) Book profit means profit of the firm business before allowing any remuneration and interest in excess of 12% on capital to partner.
 - ii) Short term capital loss can be set off against any other income head.
 - iii) The Charitable trust should not be created for benefit of any particular religious, community or cast.
 - iv) Getting Permanent Account number is compulsory for Income Tax assessee only.
 - v) CGST is charged on the intra state supply of products and services.

- B) Write short notes (any 3/5) [15]
- a) Types of assessment.
 - b) Difference between Tax exemption and Tax Evasion.
 - c) Tax Authorities
 - d) Tax planning and management.
 - e) Procedure for registration under GST.

Q2) X, Y and Z are partners in a firm which fulfills the conditions of section 184. Z is non working partner. They share profits and losses in the ratio of 3:2:1. The following is the profit and loss account for the year ended 31-03-2023. [15]

Debit	Rs.	Credit	Rs.
Establishment expenses	51,000	Gross Profit	1,30,000
Rent to partner	10,000	Interest from Bank	4,000
Remuneration to partners		Interest on	
X	35,000	Government Securities	6,000
Y	25,000	Net Loss	60,000
Interest on capital at 14%			
X	7,000		
Y	5,600		
Z	1,400		
Bonus to partners			
X	15,000		
Y	5,000		
Z	10,000		
Profession tax	2,000		
Income tax	12,000		
Income tax provisions	8,000		
Loss on sale of Machinery	8,000		
Depreciation	5,000		
	2,00,000		2,00,000

Other information

- Establishment expenses include commission paid to Z Rs. 10,000 and for furniture purchased Rs. 2,000.
- Machinery which is sold during the previous year for Rs. 10,000 is of the W.D.V. Rs. 18,000 as on 01.04.2022.
- Depreciation allowable as per rules is Rs. 2,000

Compute the Total Income of the firm for the Assessment Year 2023-24