

## END OF SEMESTER EXAMINATIONS, APRIL/MAY - 2017

TAX LAWS AND PLANNING

SUBJECT CODE: 14UABM13

MAJOR: B.B.A.

TIME : 3 HOURS

SEMESTER : IV

MAX. MARKS: 75

**SECTION - A (10 X 1 = 10)****Answer ALL the Questions:**

1. State the meaning of Annual Tax.
2. What is meant by long-term capital gain?
3. How excise duty is levied?
4. What are called long term capital assets?
5. What is customs duty?
6. What is meant by VAT?
7. State the meaning of capital expenses.
8. Narrate the meaning of Direct tax.
9. What is meant by assessment?
10. State the meaning of Advalorem Duty.

**SECTION - B (5 X 4 = 20)****Answer Any FIVE Questions:**

11. What are the objectives of Taxation?
12. Define Assessment year and Previous year.
13. From the following particulars calculate Income from other sources.
  - 1) Rs.25,000 interest from Post office savings bank account.
  - 2) Rs.25,000 from 10% debenture of listed tea company.
  - 3) Rs.4,000 interest received from National Development Bonds.
  - 4) Rs.2,500 received as interest from the debentures of a Cooperation Society.
  - 5) 10% tax-free debentures of Chennai Municipal Corporation Rs.25,000.
14. Mr. Patil was appointed as a manager on 1<sup>st</sup> July 2011 in the grade of Rs.20,000-500-22,000-1,000-25,000 with two advance increments. Find out his salary for the previous year 2015-16 if
  - a) Salary is due on first day of the month.
15. Mr. Rama Rao had taken a shop on rent at monthly rent of Rs.2,000. He has sub-let 25% of the area to Mr. D.K. Rai @ 1,000 p.m. He incurred Rs.4,000 on repairs of the shop. Calculate his income from sub-letting.
16. What are the limitations of VAT?
17. State the functions of customs officers.
18. Narrate the features of Central excise duty.

**SECTION - C (3 X 15 = 45)****Answer Any THREE Questions:**

19. Discuss the various canons of taxation.

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20. From the following calculate income from salary of Mr. Raja working in Villupuram, Tamilnadu on a private company.

	Rs.
Basic Salary	10,500 p.m.
DA	8,000 p.m.
CCA	1,200 p.m.
Special allowance	600 p.m.
Servant allowance	250 p.m.
Deputation allowance	100 p.m.
Overtime allowance	650 p.m.
Fixed medical allowance	50 p.m.
HRA	4,000 p.m.
Tribal area allowance	400 p.m.
(Actual amount spent Rs.200 p.m.)	
Conveyance allowance	6,000 p.m.
(Actual amount spent Rs.4,800)	

20% of total DA does not enter into service benefits. He pay a rent of Rs.2,150 p.m. for the house where he resides apart from the above mentioned he was paid Rs.3,400 as bonus. He gets Rs.250 p.m. towards EA.

21. From the following P&L a/c, Calculate income from business.

Particulars	Rs.	Particulars	Rs.
To Rent & Rates	45,000	By gross profit	2,25,000
To Dep. on machinery	8,000	By income from other sources	1,50,000
To dep. on furniture	2,000	By income from capital gain	1,00,000
To purchase of car	50,000	By Miscellaneous income	1,25,000
To car expenses	3,000		
To advertisement (ash)	25,000		
To Net profit	4,67,000		
	6,00,000		6,00,000

- Allow Rs.5,000 as depreciation on machinery.
  - 50% of motor car expenses relates to personal use.
  - Miscellaneous receipt is approved by Income Tax authority as business income.
  - Motor car has no depreciation.
22. Discuss the various modes of charging sales tax under TNGST ACT.
23. Explain the different types of Customs import duties.

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