



## Avinashilingam Institute for Home Science and Higher Education for Women

Deemed to be University Estd. u/s 3 of UGC Act 1956, Category 'A' by MHRD (now MoE)  
Re-accredited with 'A++' Grade by NAAC. CGPA 3.65/4, Category I by UGC  
Coimbatore - 641 043, Tamil Nadu, India

### Continuous Internal Assessment – II, April 2025 IV Semester

Class : II PG  
Major : M.Com/ M.Com CA

Time: 2hours  
Max. Marks: 60

#### 23MCOC24A / 23MCCC24- Elective I P.IV Finance -Tax Planning and Management

##### Course Outcomes:

- CO1: Compare and contrast tax planning, tax management and tax evasion  
CO2: Knowledge on tax planning under various heads of income  
CO3: Computation of gross total income of an assessee  
CO4: Computation of tax liability of various assessee  
CO5: Understand the provisions relating to corporate tax planning

#### Part A

6 x 1 = 6

##### Answer all the questions

- Under Section 54, capital gains exemption is available on the sale of  
a. Any capital asset    b. Residential house property.    c. Commercial property    d. Shares    CO3K2
- What is the TDS rate applicable on interest income from fixed deposits for individuals (if PAN is provided)?  
a. 5%    b. 10%    c. 15%    d. 20%    CO3K2
- Income of a minor child is clubbed with the income of which parent?  
a. Grandfather    b. Mother    c. Higher-earning parent    d. Lower-earning parent    CO4K2
- Advance tax is payable in which of the following cases?  
a. Only if income exceeds Rs.10 lakh    b. If total tax liability exceeds Rs.10,000  
c. Only by companies    d. Only for business income    CO4K2
- If a company shuts down a unit and sells its assets, the gain is classified as  
a. Business income    b. Capital gains.  
c. Exempt income    d. Agricultural income    CO5K2
- Which of the following tax provisions applies when replacing an old asset with a new one?  
a. Section 54 exemption    b. Section 32 depreciation benefit  
c. Section 80C deduction    d. Section 80JJAA deduction    CO5K2

**Part - B**

**3 x 6 = 18**

**Answer all the questions**

**Answer should not exceed 400 words or two pages**

7. a. Mr. Ghosh sold a house on 1-9-2023 for Rs. 17,00,000. This house was inherited by him during 2001-02 from his father who had constructed it in 1991-92 for Rs. Rs.50,000. Mr. Ghosh spent Rs. 50,000 on renovation of house in 2006-07. Fair market value of the house as on 1-4-2001 was Rs. 4,40,000. This house was under negotiations for sale in May, 2010 and he received Rs. 20,000 as advance money. The contract could not materialize and the advance money was forfeited. Compute the amount of capital gain assuming that he does not qualify for any exemption. CO3K4

(or)

7. b. The Following investment are held by Mr. Laxman on 1-4-2023. CO3K3  
(a) Rs. 40,000 10% U.P. Government Loan  
(b) Rs. 35,000, 8% Debentures of Sugar Mill Co. Saharanpur  
(c) Rs. 50,000, 12% Debentures of Ugly Trading Co.  
On 1-9-2023, he sold the debentures-cum-interest of Ugly Trading Co. and purchased Rs. 60,000, 15% debentures-cum-interest of Beauty Trading Co. Interest on investments is received half-yearly on 1<sup>st</sup> July and 1<sup>st</sup> January every year. Calculate income from securities for the previous year 2023-24.

8. a. From the particulars given below compute the income of Mr.X for the assessment year 2024-25 under old tax regime explaining each point clearly: CO4K3

Rs.

- |   |        |        |
|---|--------|--------|
| 1. Income from profession   | 86,500 |        |
| 2. Income of minor son (Singing is his profession)  | 12,000 |        |
| 3. Winnings from lottery: ticket purchased in the name of the Mr.X's minor daughter                         | 6,800  | 6,800  |
| 4. Mr.X's father gifted debentures in an Indian company to Mr.X's minor son and Company paid gross interest | 6,650  | 6,650  |
| 5. Mr.X's wife is a government servant and her income computed under the head salaries                      | 56,000 | 56,000 |
| 6. Interest on debentures purchased by Mr. X but gifted to Mrs.X  | 18,000 |        |

(Or)

8.b. Describe the process of computing taxable income for a partnership firm. CO4K3

9.a. Explain the tax planning influence the decision to set up a new business? CO5K3

(Or)

9. b. Explain the tax factors that influence the decision to shut down or continue business Operations. CO5K4

**Part - C**

**Answer all the questions**

**3 x 12 = 36**

**Answer should not exceed 800 words or four pages**

10. a. Mr.X owns 2 acres of agricultural land in an urban area of Ludhiana which he sold on 30<sup>th</sup> Nov.2023 @ Rs. 50 lacs per acre. Other particulars are : CO3K4

- |  | Rs.         |
|--|-------------|
| (i) Cost of 2 acres of land purchase in 1997   | 6 lacs.     |
| (ii) F.M.V. as on 1-4-2001   | 22.00 lacs. |
| (iii) Selling expenses   | 1 lac.      |
| (iv) He owns one residential house on 30.11.2023   |             |
| (v) Date of filing of return of income is 31 <sup>st</sup> July, 2024  |             |
| (vi) Mr.X purchased 10 acres of agricultural land in a rural area for Rs. 8 lacs on 10 <sup>th</sup> June, 2024. |             |
| (vii) Mr. X purchased a piece of plot to construct a residential building for Rs. 6 lacs at Ludhiana.            |             |

(viii) He deposits Rs. 15 lacs in a Schedule bank in a Capital gain deposit Account Scheme on 30<sup>th</sup> July 2024 to construct a residential house.

(ix) Amount invested in bonds of national highway Authority of India Rs. 8 lacs on 31<sup>st</sup> March 2024.

Assume that he actually withdraws Rs. 12 lacs from the deposit account to complete his residential house.

(or)

10.b. Calculate Gross Total Income under old tax regime

CO3K4

<b>House property</b>	Rs.
Loss from self-occupied house	2,50,000
Income from let-out house	1,12,000
<b>Profit and gains of Business or Profession</b>	
Hosiery business	(+ 1,80,000
Cycle business	(-) 60,000
Speculation business	(-) 1,00,000
<b>Capital gains</b>	
Short term capital gain	40,000
Short term capital loss	80,000
Long term capital gain	70,000
Long term capital loss	90,000
<b>Income from other sources</b>	
Bank interest	1,24,000
Dividend from companies	20,000
Loss from gambling	1,00,000

11.a. Mr. Shaan works with XYZ Ltd. During the previous year 2023-24, the details of his income and investments are as follows : Rs.

CO4K5

1. Basic Salary	50,000p.m
2. HRA	40,000
3. Exempted HRA	10,000
4. Uniform Allowance	36,000
5. Official Expenses on Uniform	36,000
6. Leave Travel Concession	90,000
7. Exempted LTC	75,000
8. Income from Let out House property:	
House I	80,000
House II	1,20,000
9. Income from Let other sources:	
Interest on saving a/c	40,000
Interest as savings a/c of his minor daughter	8,500
Interest on PPF	2,00,000
Deduction under sec 80C	1,50,000
Deduction under sec 80D	20,000

Find out his taxable Income and tax liability for the Assessment Year 2024-25 under both the tax regimes.

(or)

11. b. Explain the provisions of law regarding the clubbing of income of spouse and other family Members in the income of individual.

CO4K5

12. a. Analyze the tax implications of a "Make or Buy" decision with examples. How can tax Planning help in making the right choice?

CO5K5

(or)

12.b. Discuss the tax aspects that should be considered when deciding whether to shut down or Continue a business.

CO5K4