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GIET UNIVERSITY, GUNUPUR - 765022
M. B. A (Fourth Semester) Examinations, May - 2024
21MBAFM24003 - Direct Taxation

Time: 3 hrs

Maximum: 60 Marks

(The figures in the right hand margin indicate marks.)

PART – A**(2 x 10 = 20 Marks)**Q.1. Answer **ALL** questions

	CO #	Blooms Level
a. Whose is a 'person' as per IT Act, 1961.	CO1	K1
b. In what way does the liability of tax of a "not ordinarily resident" person differ from that of a "resident" person under the Income-tax Act?	CO1	K1
c. What incomes are chargeable to tax?	CO2	K1
d. Write the grossing up of interest under the head, "Income from Other sources"	CO2	K2
e. Explain tax avoidance.	CO3	K2
f. What is GAAR?	CO3	K1
g. Write three recommendations of the 49th GST Council meet.	CO4	K4
h. What taxes GST replaced?	CO4	K2
i. What is inter-head adjustment of income?	CO5	K2
j. Distinguish exemption and deduction with the help of example.	CO5	K1

PART – B**(8 x 5 = 40 Marks)**Answer **ALL** the questions

	Marks	CO #	Blooms Level
2. a. Elucidate total income for income-tax purpose.	8	CO1	K1
(OR)			
b. R was a manager in a factory in Delhi which is not covered under the Payment of Gratuity Act. 1972. He got Rs. 30,000 per month as basic pay, Rs. 6,000 per month as dearness allowance (under the terms of employment) and Rs. 3,750 per month as house rent allowance. He resides in his own house. He also got Rs. 2,100 per month as conveyance allowance for commuting between office and residence. He retired on 1.1.2022 and got Rs.6,00,000 as gratuity and Rs.5,00,000 as accumulated balance in his recognised fund. His own contribution and that of the factory to this fund was equal. He also received Rs.3,60,000 being the amount of salary including dearness allowance for ten months earned leave to his credit at the time of retirement. He was entitled to one month leave per year. He was allowed to get pension of Rs. 15,000 per month three fourths of which was commuted for Rs.4,50,000. He commenced service of this factory on 1.4.1991. Employment tax payable to State Government was Rs. 2,000 but he paid only Rs. 1,000 during the previous year against the due amount. Calculate his income from salaries for the assessment year 2022-23	8	CO2	K4
3.a. How will you determine the annual value of the house property which is either let out or self-occupied?	8	CO2	K2
(OR)			
b. From the Profit and Loss Account of X for the year ending March 31, 2021, ascertain his total income for the assessment year 2022-23:	8	CO2	K4

Expenses	Rs	Incomes	Rs.
General expenses	13,400	Gross profits	3,64,500
Bad debts	22,000	Commission	8,600
Advance tax	21,000	Brokerage	37,000
Insurance	600	Sundry receipts	2,500
Salary to staff	26,000		
Salary to X	32,000		
Interest on overdraft	4,000		
Interest on loan to Mrs. X	42,000		
Interest on capital of X	23,000		
Depreciation	48,000		
Advertisement exp.	7,000		
Contribution to RPF	13,000		
Net profit	1,60,600		
Total	4,12,600	Total	4,12,600

- 4.a. Describe tax planning through Amalgamation and Mergers. 8 CO3 K2
(OR)
- b. Suresh is employed in Delhi and is drawing Rs. 50,000 per month as salary. Besides, he got one-month salary as bonus. He is given an option by the employer, either to accept HRA or a rent-free accommodation which is owned by the employer. HRA is payable @ Rs. 10,000 per month, while the rent for accommodation in Delhi is Rs. 12,000 per month. Advise Suresh, whether it would be beneficial for him to avail HRA or rent-free accommodation provided by the employer (assuming Mr. Suresh has not opted for section 115BAC of the Income tax Act, 1961). 8 CO3 K4
- 5.a. Explain GST. What are the basic features of GST? Write notes on Indian GST model. 8 CO4 K2
(OR)
- b. Explain the four types of GST in India. Discuss about the tax rate slabs of GST in India. 8 CO4 K2
- 6.a. Explain the contribution of direct and indirect taxation to the Indian economy 8 CO5 K2
(OR)
- b. Differentiate between tax evasion, tax avoidance and tax planning. 8 CO5 K2

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