

Tax Planning and Management

Time : 3 Hours]

[Max. Marks : 80

Note : Attempt any two questions from Section A carries 20 marks and any three questions from Section B carries 60 marks. Mention relevant sections of IT Act wherever applicable.

Section A

1. Explain the following concepts with relevant Section Nos. of IT Act in brief :
 - (a) Income
 - (b) Residential Status.
2. Discuss in brief :
 - (a) Basic concepts about Wealth Tax
 - (b) Tax Planning in relation to NRI's.
3. Under the Head-Income from Salary, mention :
 - (a) Different allowances and their Taxability (any three).
 - (b) Different types of Perquisites and their Taxability, (any three)
4. (a) Return of Income is filed in prescribed ITR forms. Mention Type of ITR form, and its applicability.
 - (b) Due dates for filing returns of Income.

Section B

5. An individual tax payer has 4 types of assets mentioned below :
 - (a) Residential House Property
 - (b) Agricultural Land used by the individual
 - (c) Gold in the form of Jewelry
 - (d) Equity Shares.

All are long term capital assets. To claim 100% exemption advise the tax payer : (under which section) (i) Time limit for investing. (ii) Asset the tax payer should acquire. (iii) Time limit for holding the new asset (if any). The total capital gain is Rs. 5 lacs in each case.

6. Discuss in detail the TDS provisions and the sections applicable for the following:
 - (a) Interest on Securities.
 - (b) Winnings from Lotteries or Cross word puzzles.
 - (c) Dividends.Give suitable examples to illustrate, if the amount is Rs. 2 lacs in each of the above.
7. (a) Mention the due dates of payment of advance tax and percentage of tax payable for Individuals and Corporate. Also mention types of incomes covered, and above what amount, it is levied.
 - (b) Discuss qualifying investments and the amount of investment under each Section from 80C to 80G. Atleast one type of investment in each section, and total types should be 10 investments.
8. (a) Compare to bring out the differences between:
 - (i) Tax Avoidance and Tax Evasion
 - (ii) Tax Planning and Tax Management, on any four broad parameters.(b) Give one example for Tax avoidance, Tax evasion, Tax planning and Tax management.
9. (a) Mention the IT slabs for Individuals for AY 2009-10 and AY 2010-11.
 - (b) File an IT Return for Manager working in a software company earning Rs. 12 lacs per annum. PF deduction 10%. Pays House Rent of Rs. 10,000 per month, and travels to company in his own car. Tuition Fees paid for 2 children's education is Rs. 1 lakh per annum. TDS is deducted as per applicable IT slabs.

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