

Roll No.

SAP ID



UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, July 2020
Open Book – Through Blackboard Learning Management System

Course: Taxation Law

Course Code- LLBL 443

Semester: 8

Programme: BBA LLB (H) Corporate Laws

Time: 03 hrs.

Max. Marks: 100

Instructions:

As this examination is in open-book format, the students are expected to demonstrate a very high degree of Academic Integrity and not copy contents from resources referred. Instructors would look for understanding of the concept by the students and any similarity found from resources online/ offline shall be penalized in terms of deduction of marks and even cancellation of paper in requisite cases. The online examination committee of the School would also look for similarity of two answer scripts and if answer scripts of two or more students are found similar, both the answer scripts shall be treated as copied and lead to cancellation of the paper. In view of the aforesaid points, the students are warned that they should desist from using any unfair means.

All Questions are Compulsory
Answer each question in not more than 500 words

S. No.		Marks	CO																		
1	<p>Compute the amount of tax deduction at source on the following payments made by M/s. S Ltd. during the financial year 2019-20 as per the provisions of the Income-tax Act, 1961.</p> <table border="1"><thead><tr><th>S.No</th><th>Date</th><th>Nature of Payment</th></tr></thead><tbody><tr><td>1.</td><td>01-10-2019</td><td>Payment of Rs. 2,00,000 to Mr. R a transporter who owns 8 goods carriages throughout the previous year and furnishes a declaration to this effect along with his PAN.</td></tr><tr><td>2.</td><td>01-11-2019</td><td>Payment of fee for technical services of Rs. 25,000 and Royalty of Rs. 20,000 to Mr. Shyam who is having PAN.</td></tr><tr><td>3.</td><td>30-06-2019</td><td>Payment of Rs. 25,000 to M/s X Ltd. for repair of building.</td></tr><tr><td>4.</td><td>01-01-2020</td><td>Payment of Rs. 2,00,000 made to Mr. A for purchase of diaries made according to specifications of M/s S Ltd. However, no material was supplied for such diaries to Mr. A by M/s S Ltd.</td></tr><tr><td>5.</td><td>01-02-2020</td><td>Payment of Commission of Rs. 14,000 to Mr. Y.</td></tr></tbody></table>	S.No	Date	Nature of Payment	1.	01-10-2019	Payment of Rs. 2,00,000 to Mr. R a transporter who owns 8 goods carriages throughout the previous year and furnishes a declaration to this effect along with his PAN.	2.	01-11-2019	Payment of fee for technical services of Rs. 25,000 and Royalty of Rs. 20,000 to Mr. Shyam who is having PAN.	3.	30-06-2019	Payment of Rs. 25,000 to M/s X Ltd. for repair of building.	4.	01-01-2020	Payment of Rs. 2,00,000 made to Mr. A for purchase of diaries made according to specifications of M/s S Ltd. However, no material was supplied for such diaries to Mr. A by M/s S Ltd.	5.	01-02-2020	Payment of Commission of Rs. 14,000 to Mr. Y.	20	CO 3
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2	<p>Ganesh has a property whose municipal valuation is Rs. 2,50,000 p.a. The fair rent is Rs. 2,00,000 p.a. and the standard rent fixed by the Rent Control Act is Rs. 2,10,000 p.a. The property was let out for a rent of Rs. 20,000 p.m. However, the tenant vacated the property on 31.01.2020. Unrealized rent was Rs. 20,000 and all conditions prescribed by Rule 4 are satisfied. He paid municipal taxes @ 8% of municipal valuation. Interest on borrowed capital was Rs. 65,000 for the year.</p> <p>Further Ganesh sold the above house property on 31.03.2020 for Rs. 20,00,000. This house was purchased by Ganesh on 15.08.2018 for Rs. 10,00,000 and made some additions to the house of Rs. 2,00,000 in September 2018.</p> <p>Compute the income from house property and amount of Capital Gain of Ganesh for A.Y 2020-21.</p>	20	CO 2										
Ans.													
3	<p>(i) What will be the due date of filling Income Tax return for the FY 2019-20 in the following cases –</p> <ol style="list-style-type: none"> Individual having Net Taxable Income of Rs 8,50,000 Partnership Firm covered under section 44AB, having Net Taxable Income of Rs. 6,40,000 Company having profit of Rs. 6,00,000 from Business Individual is covered under section 44AB audit and having Net Taxable Income of Rs. 12,50,000 Individual offering Income under section 44AD and having Net Taxable Income of Rs. 3,45,000. <p>(ii) Further what will be the amount of Late fees under section 234 F in each of the above cases if return is filed for each case on the following dates: -</p> <table border="1" data-bbox="183 1310 1284 1496"> <tr> <td>Scenario – a</td> <td>13.12.2020</td> </tr> <tr> <td>Scenario – b</td> <td>20.10.2020</td> </tr> <tr> <td>Scenario – c</td> <td>03.09.2020</td> </tr> <tr> <td>Scenario – d</td> <td>15.03.2021</td> </tr> <tr> <td>Scenario – e</td> <td>30.07.2020</td> </tr> </table>	Scenario – a	13.12.2020	Scenario – b	20.10.2020	Scenario – c	03.09.2020	Scenario – d	15.03.2021	Scenario – e	30.07.2020	20	CO 4
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4	<p>a. Shriya Goyal, a chartered accountant, is presently working in a firm in India. She has received an offer for the post of Chief Financial Officer from a company in Australia. As per the offer letter, she should join the company at any time between 1st September, 2019 and 31st October, 2019. She approaches you for your advice on the following issues to mitigate her tax liability in India:</p> <ol style="list-style-type: none"> Date by which she should leave India to join the company Direct credit of part of her salary to her bank account in Mumbai maintained jointly with her mother to meet requirement of her family. Period for which she should stay in India when she comes on leave. 	20	CO1										

	<p>b. Miss Priya made the following investments/expenses during the F.Y. 2019-20, you are required to calculate the amount of eligible deduction under Chapter VI A of Income Tax Act, 1961. Explain with relevant provisions.</p> <p>(i) LIC Premium paid- Rs 1,40,000 (ii) Term Insurance Premium Paid- Rs 20,000 (iii) School Tution fees of his friend’s daughter- Rs 40,000 (iv) Medical checkup expenses incurred in cash – Rs 4,000 (v) Donation in Prime Minister’s National Relief Fund in cash – Rs 40,000</p>		
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Ans.			
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5	<p>Mr. Harish Gupta, aged 35 years, working in Reliance Industries, Mumbai, produces the following information for the Assessment Year 2020-21 before you. As a tax consultant, you are required to answer the following:</p> <p>a. Income Tax amount which is required to be paid by Harish Gupta while filling his Income Tax Return</p> <table border="1" data-bbox="178 902 1281 1993"> <thead> <tr> <th>S no</th> <th>Particulars</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td colspan="3">A. Salary Details</td> </tr> <tr> <td></td> <td>Basic Pay</td> <td>Rs. 40,000 p.m.</td> </tr> <tr> <td></td> <td>Dearness Allowance (Forming Part of Retirement benefits)</td> <td>Rs. 15,000 p.m</td> </tr> <tr> <td></td> <td>Commission</td> <td>Rs. 10,000 p.m.</td> </tr> <tr> <td></td> <td>Entertainment Allowance</td> <td>Rs. 20,000 p.a</td> </tr> <tr> <td></td> <td>Professional Taxes Paid</td> <td>Rs. 5,000 p.a (Rs. 3,000 was paid by employer and balance Rs 2,000 was paid by employee from his own)</td> </tr> <tr> <td></td> <td>Medical expenses reimbursed</td> <td>Rs. 45,000</td> </tr> <tr> <td></td> <td>Children Education Allowance for his son</td> <td>Rs. 1,100 per month</td> </tr> <tr> <td></td> <td>Hostel Expenditure Allowance for his son</td> <td>Rs. 800 p.m.</td> </tr> <tr> <td></td> <td>House Rent Allowance</td> <td>Rs. 15,000 p.m.</td> </tr> <tr> <td></td> <td>Actual Rent paid during the year</td> <td>Rs. 2,40,000</td> </tr> <tr> <td colspan="3">B. Capital Gain Details</td> </tr> <tr> <td></td> <td>He purchased a residential house in January 2019 for Rs. 50,00,000/- in Kanpur seeking his upcoming transfer in job in April 2021. However due to change in plan of transfer from Mumbai to Kanpur, he sold out the house in December 2019 for Rs. 57,00,000/-.</td> <td></td> </tr> <tr> <td colspan="3">C. House Property Details of house at Kanpur</td> </tr> <tr> <td></td> <td>Expected Rent</td> <td>Rs. 15,000 p.m.</td> </tr> </tbody> </table>	S no	Particulars	Amount	A. Salary Details				Basic Pay	Rs. 40,000 p.m.		Dearness Allowance (Forming Part of Retirement benefits)	Rs. 15,000 p.m		Commission	Rs. 10,000 p.m.		Entertainment Allowance	Rs. 20,000 p.a		Professional Taxes Paid	Rs. 5,000 p.a (Rs. 3,000 was paid by employer and balance Rs 2,000 was paid by employee from his own)		Medical expenses reimbursed	Rs. 45,000		Children Education Allowance for his son	Rs. 1,100 per month		Hostel Expenditure Allowance for his son	Rs. 800 p.m.		House Rent Allowance	Rs. 15,000 p.m.		Actual Rent paid during the year	Rs. 2,40,000	B. Capital Gain Details				He purchased a residential house in January 2019 for Rs. 50,00,000/- in Kanpur seeking his upcoming transfer in job in April 2021. However due to change in plan of transfer from Mumbai to Kanpur, he sold out the house in December 2019 for Rs. 57,00,000/-.		C. House Property Details of house at Kanpur				Expected Rent	Rs. 15,000 p.m.	20	CO 3
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	Actual Rent received from April to December 2019	Rs. 20,000 p.m.		
	Municipal Taxes Paid	Rs. 40,000		
	D. Investment Details			
	Premium Paid of LIC	Rs. 50,000		
	Premium Paid for Term Insurance	Rs. 25,000		
	Investment in 5 years Tax Saver Fixed Deposit	Rs. 50,000		
	Investment in Public Provident Fund	Rs. 50,000		
	Medical Checkup expenses incurred in cash	Rs. 4,000		
	Medical Insurance policy covering him only	Rs. 10,000		
	Donation in Prime Minister's National Relief Fund by online transfer	Rs. 50,000		
	E. Tax Details			
	TDS deducted by employer	Rs. 54,000		
	Self-assessment Tax deposited in March 2020	Rs. 1,50,000		
Ans.				

I,, understand that submitting work that isn't my own may result in failure in this paper and I may also be subject to Disciplinary Proceedings as per the Academic Integrity policy of the University.

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