

2207M047

**Master of Vocation  
Management (Banking and Finance)  
Subject: Taxation for Managers  
Subject Code: MFM-909  
Semester: Fourth  
July 2022  
Theory (External): 70 Marks  
Time: 03 Hours**

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**Instructions to the Students**

1. This Question paper consists of two Sections. All sections are compulsory.
2. Section A comprises 10 questions of objective type in nature. All questions are compulsory. Each question carries 2 marks.
3. Section B comprises 8 essay type questions out of which students need to do any 5. Each question carries 10 marks.
4. Read the questions carefully and write the answers in the answer sheets provided.
5. Do not write anything on the question paper.
6. Wherever necessary, the diagram drawn should be neat and properly labelled

**Roll Number**

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**SECTION –A (SHORT/OBJECTIVE TYPE QUESTIONS)**  
**(10x2=20 Marks)**

1. Income Tax is imposed by:
  - a. State Government
  - b. Central Government
  - c. Both of the above
  - d. Constitution of India
2. Parliament has the power to levy tax on incomes other than:
  - a. Exempt Incomes
  - b. Income of poor people
  - c. Agricultural Income
  - d. All incomes are taxable
3. Which Entry of Union List gives the power to Parliament to levy tax on incomes?
  - a. Entry 81 of List I to Seventh schedule
  - b. Entry 81 of List II to Seventh schedule
  - c. Entry 82 of List I to Seventh schedule
  - d. Entry 82 of List II to Seventh schedule
4. Highest Administrative Authority for Income Tax in India is:
  - a. Finance Minister
  - b. CBDT
  - c. President of India
  - d. Director of Income Tax
5. The basic source of income-tax law is:
  - a. Income-tax Act, 1961
  - b. Income-tax Rules, 1962
  - c. Circulars/Notifications
  - d. Judgments of Court
6. Finance Bill becomes the Finance Act when it is passed by:
  - a. Lok Sabha
  - b. Both Lok Sabha & Rajya Sabha
  - c. Both House of Parliament & signed by President.

Basic salary	50,000 p.m.
Dearness allowance	12,000 p.m.
Entertainment Allowance	300 p.m.
Hill area compensatory allowance	450 p.m.
Tribal area allowance	350 p.m.
His own contribution toward statutory provident fund	4,000 p.m.
Employer's Contribution	4,000 p.m.
House rent allowance	10,000 p.m.
Interest credited to provident fund	26,500

X is an officer of the forest department of Government of U.P. He is employed at a place at a height of 1,100 meters above the sea level. He is paying Rs. 12,500 p.m. as house rent.

2. Explain how the tax liability of an assessee is determined with reference to his residence?
3. Explain deduction u/s
  - (a) 80 C
  - (b) 80 DD
  - (c) 80 EE
  - (d) 80QQB
4. What deductions are allowed to a businessman in computing profits? Specify the expenses disallowed.
5. What are the tax benefits of Amalgamation in income tax Act 1961?
6. Explain the structure of GST in India and also explain the different rates of GST in India?
7. Explain the role of direct and indirect tax in Indian economy.

8. Mr. Z sold the following assets during the year 2020-2021:
  - a. Land purchased in 2001 for Rs. 1,40,000 sold for Rs. 3,00,000.
  - b. Machinery purchased for Rs. 12,000 in 2013 sold for 21,000 (W.D.V. Rs. 6,000).
  - c. Office furniture purchased in April, 2019 for Rs. 1,200 sold for Rs. 1,700.
  - d. Shop purchased in 2004-05 for Rs. 1,13,000 sold for Rs. 1,80,000.
  - e. Residential house purchased in 2004-05 for Rs. 2,26,000 sold on 15.4.2020 for Rs. 10,60,000.

He purchases another residential house on 15.03.2021 for 4,50,000. Compute his taxable income under the head capital gains.

Cost inflation index for 2001-02 is 100, 2004-05 is 113 and 2020-21 is 30.

=== END OF THE PAPER ===

- d. Both House of Parliament & signed by Prime Minister.
7. Which of the following income is not included in the term 'income'?
- Profit & gains
  - Dividend
  - Profit in lieu of salary
  - Reimbursement of travelling expenses
8. Cash gift received from a non-relative is regarded as income. But Exempt amount is p.a.
- Rs. 25,000
  - Rs. 75,000
  - Rs. 50,000
  - Rs. 25,000
9. What is not included in taxable Income?
- Income from smuggling activity
  - Casual income
  - Capital Receipt, except gains on transfer of capital asset
  - Income received in kind.
10. Share of the profits from the firm by the partner is:
- Fully taxable
  - Fully Exempt u/s 10(2A)
  - Fully taxable u/h "Salary"
  - Exempt upto Rs. 2.5 lacs

### SECTION -B (ESSAY TYPE QUESTIONS)

(5x10=50 Marks)

1. On the basis of the following information compute the taxable income of X under the head Salaries for the assessment year 2021-2022