

MBA-118

MSP-32

**M.B.A. DEGREE EXAMINATION –
DECEMBER, 2018.**

Second Year

TAX MANAGEMENT

Time : 3 hours

Maximum marks : 75

PART A — (3 × 5 = 15 marks)

Answer any **THREE** questions.

All questions carry equal marks.

1. Distinguish between capital receipts and revenue receipts.
2. What are the characteristics of salary? What is the basis of charge of salary income?
3. What is meant by capital gain? Distinguish between long term capital gain and short term capital gain.
4. State the rates of income tax for individuals.
5. What are the conditions to be fulfilled for the partnership firm to be assessed as firm?

PART B — (4 × 15 = 60 marks)

Answer any FOUR questions.

All questions carry equal marks.

6. “The incidence of income tax depends upon the residential status of an assessee” – Discuss.
7. Find the gross total income of Mr. Senthil for the AY 2018–19 if he is a (a) Resident; (b) Not ordinarily resident; (c) Non-resident.
- (i) Income from business in Chennai, managed in France Rs. 50,000.
 - (ii) Pension for service rendered in India, received in France Rs. 30,000.
 - (iii) Profit from business in Sri Lanka, deposited in a bank there Rs. 24,000.
 - (iv) Profit on sale of building in India but received in Sri Lanka Rs. 36,000.
8. Find the gross annual value for a let out house property for the assessment year 2018–19 from the following particulars :
- | | |
|----------------------|-------------|
| Municipal value | Rs. 39,000 |
| Fair rental value | Rs. 38,400 |
| Actual rent received | Rs. 37,200. |

9. Explain various deemed Income.
10. What is section 54F under capital gains? Discuss the provisions relations to exempted capital gains.
11. Explain the steps to be taken in arriving at total income and tax liability of an individual.
12. Calculate the firms income under the head 'profit and gains of business or profession' from the data given below:

Net profit as per P and L a/c	30,000
(after debiting the following)	
Salary to partner A	60,000
Salary to Partner B	40,000
Commission to A	20,000
Interest on capital @ 21% to A	14,000
Interest on capital @ 21% to B	7,000

The payments to partners have been made in accordance with partnership deed.