

C. U. SHAH UNIVERSITY

Winter Examination-2019

Subject Name: Direct and Indirect Taxes

Subject Code: 5MS04DIT1

Branch: MBA

Semester : 4

Date : 01/10/2019

Time : 02:30 To 05:30

Marks : 70

Instructions:

- (1) Use of Programmable calculator and any other electronic instrument is prohibited.
 - (2) Instructions written on main answer book are strictly to be obeyed.
 - (3) Draw neat diagrams and figures (if necessary) at right places.
 - (4) Assume suitable data if needed.
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SECTION – I

Q-1 Attempt the Following questions (07)

- a. State the meaning of direct tax with one example **1**
- b. Name any two heads of income **1**
- c. State any two deduction available u/s 80C **1**
- d. What is the name of GAV & NAV in Income from house property? **1**
- e. How many categories are there in residential status of individual? **1**
- f. State the full name of MAT **1**
- g. How many heads of income are there? **1**

Q-2 Attempt all questions (14)

- a 'Is there any difference between tax avoidance and tax evasion' –
Explain it **7**
- b Explain in brief income under the head capital gain **7**

OR

Q-2 Attempt all questions (14)

- a Write a short note on Tax planning with respect to location of business **7**
- b Mr. A has Income from salary Rs. 2,50,000, Income from rent before
standard deduction but after payment of municipality tax Rs. 90,000 &
Interest received on bank FD Rs. 40,000. Calculate his Total income
provided he pays for Mediclaim premium of Rs. 20,000. **7**

Q-3 Attempt all questions (14)

- a State the procedure of calculating book profit in company **7**
- b Mr. X the Indian citizen visits US for the first time on date 2/5/17 and
returns to India on date 3/7/17, this was for the first time he has visited
any foreign country in his life. find out his residential status for
assessment year 2018-2019 **7**

OR

- Q-3**
- a Define :Previous Year & Person **7**
 - b State any seven Exempted incomes **7**



SECTION – II

- Q-4 Attempt the Following questions (07)**
- a. Name any two managerial decisions with respect to tax planning **1**
 - b. What is the formula of EPS? **1**
 - c. What is the full name of EBIT & EBT ? **1**
 - d. State the meaning of double taxation relief **1**
 - e. Name any two methods of calculating arm length's price **1**
 - f. State the full name of VAT **1**
 - g. Name any two services on which service tax was imposed **1**

- Q-5 Attempt all questions (14)**
- a Explain in brief VAT & Service tax **7**
 - b Write a short note :Associated enterprise **7**

OR

- Q-5**
- a State the meaning of advance ruling & state its applicants **7**
 - b Discuss the provisions of tax planning with respect to scientific research assets **7**

- Q-6 Attempt all questions (14)**
- a Explain two methods of double taxation relief **7**
 - b Mr. X was having job at Rajkot in XYZ Co.at a monthly basic salary of Rs. 40,000, he was also paid HRA at 12% of basic salary. He was paying a housing rent of Rs. 6,000 p.m. **7**

The same Company wants to give another Option to Mr. X, instead of giving HRA, Company will pay house rent of Rs. 6,000 p.m directly to the landlord and in that way will provide perquisite of rent free house to Mr. X

Guide which option Mr. X Should select.

OR

- Q-6 Attempt all Questions**
- a Explain with imaginary figures provisions of receipt of Insurance compensation **7**
 - b Which option Mr. X to select to buy the machine with his own fund or to to buy with the help of loan from nationalized bank. Guide him on the bases of below information. **7**

Buy With own fund	Buy with Loan from bank
Initial discounted outflow Rs.5,00,000	Initial discounted outflow Rs.80,000
Benefit in discounted out flow due to depreciation Rs.1,50,000	Subsequent discounted outflow due to payment of principal & Interest Rs. 4,90,000
	Benefit in discounted out flow due to depreciation Rs.1,50,000
	Benefit in discounted out flow due to Interest payment Rs.80,000

