

**QP CODE**

**Enrollment Number: .....**

**C2024**

**Name: .....**

**M.COM DEGREE EXAMINATIONS, JULY 2025**

**Third Semester**

**M.Com**

**M21CM10DC – Income Tax Planning and Management  
(2023 July admissions)**

**Time: 3 Hours**

**Max Marks: 70**

**Section A**

**Answer any five of the following questions in two or three sentences each. Each question carries 2 marks.**

1. Explain the meaning and significance of tax management in effective financial planning.
2. How does tax evasion affect government revenue?
3. What is meant by marginal relief in income tax?
4. Differentiate between short term capital gain and long term capital gain in income tax.
5. Explain the concept of book profit under the Income Tax Act.
6. What are the deductions allowable under income from co-operative society?
7. Mention two objectives of tax avoidance.
8. What is meant by the clubbing of income under the Income Tax Act?

**(2X5=10)**

**Section B**

**Answer any six of the following questions in a paragraph each. Each question carries 5 marks.**

9. Critically examine the basic and additional conditions prescribed under the Income Tax Act for determining the residential status of an individual.
10. Discuss the types of businesses that are excluded from this definition under the Income Tax Act.
11. Mr. Sameer has a salary of Rs. 890000. He deposited Rs.40000 in PPF, Rs.20000 in RPF and paid tuition fee of his daughter Rs. 18000. He deposited Rs.25000 in the pension fund of Central Govt. He also paid interest of Rs.15000 on a loan taken from Bank for the higher education of his daughter and Rs.40000 donated to Swatch Bharath Kosh. Compute Total Income.
12. Describe the Tax Planning for Individuals.

13. Ram Traders Limited closes its accounts on March 31st every year. During 2023-24 it had the following income and expenses: Profit from business – Rs. 2,00,000, LTCG on transfer of building –Rs 1,00,000, LTCG on investments –Rs 1,50,000, STCL –Rs 60,000, Rent from house property –Rs 36,000, Municipal tax paid relating to house property –Rs 4,000, Dividend from a cooperative society –Rs 10,000, Income from Royalty from a foreign company – Rs 1,00,000. Calculate Total Income.
14. Briefly explain different types of trusts.
15. During the previous year a Charitable Trust earned an income of Rs 4,00,000 from property held for charitable purpose and Rs 4,00,000 from voluntary contributions. The Trust utilized the amount during the previous year as under: Spent for charitable purpose outside India Rs 35,000. Spent for charitable purpose in India Rs 2,50,000. Repaid the loan for construction of building for charitable purposes Rs 3,50,000 Compute the taxable income of the trust.
16. . What are the key precautions to be taken while engaging in tax planning?
17. Describe the conditions under which a domestic company is eligible to pay tax at the rate of 25%.
18. Briefly explain the incomes shall not be included in the total in-come of charitable or religious trusts.

**(5X6=30)**

### Section C

**Answer any two of the following questions in four pages each. Each question carries 15 marks.**

19. Discuss the deductions applied to the income of a co-operative society in accordance with section 80P.
20. Analyse the tax planning opportunities available in relation to income from house property and evaluate how they can be used to minimise tax liability legally.
21. Compute the total income and tax liability of Mr. Prakashan, aged 65, for the Assessment Year 2024-25.  
Salary@ 53000 p.m.  
D. A @ 30% of basic pay 190800.  
Examinership remuneration 60000.  
Royalty from books of artistic nature 160000.  
Interest on S. B deposits with banks 12000.  
Interest on term deposits with banks 170000. Life insurance premium paid 12000.  
Deposits in Public provident fund 100000.
22. From the following compute total income of the company for the AY 2024-25. Find out tax liability if the book profit of the company is Rs 7,00,000 u/s 115JB  
Business Profit – Rs 4,20,000.  
Royalty received from a foreign concern for providing technical knowledge – Rs 16,000.  
Fee from an Indian Company for technical advice – Rs 12,000.  
Dividend from a foreign company – Rs 8,000.  
Company has donated to National Rural Development Fund during PY –Rs 8,800.

**(15X2=30)**