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DR. V. N. BEDEKAR INSTITUTE OF MANAGEMENT STUDIES
MMS II END SEMESTER EXAMINATION APRIL 2007

DIRECT & INDIRECT TAXATION

DT: 23/4/2007

TIME MARKS 50

NOTES: SECTION I & II TO BE SOLVED ON SEPARATE ANSWER BOOK

- 1 Question No 1 Compulsory carries (20) Marks
- 2 Attempt any (2) Questions from the rest ,Each Question Carries (15)Marks

Q No1

(a) Calculate the Income Tax Payable in respect of the following persons for the Assessment Year 2007 -08

Mr Sachin	Age 43 Years	Net Taxable Income Rs 144445
Mrs Aparna	Age 24 Years	Net Taxable Income Rs156767
Mr Amitabh	Age 66 Years	Net Taxable Income Rs298876
Mr Ashutosh	Age 50 Years	Net Taxable Income Rs 1554443

(b) Discuss the Monetary Limits Under the Income Tax Act & Rules with reference to the followings:

- Gratuity at the time of Retirement of Employee under Payment Of Gratuity Act
- Leave Encashment at the time of retirement in case of non government employee

© Calculate the Deductions under Chapter VI A in respect of the Followings

-Payment of LIC Premium Rs 80000, Provident Fund Contribution by Employee Rs 15000, PPF Contribution Rs 15000

-Payment of Rs 15000 by cheque Mediclaim Insurance (Age 44 Years)

-Donation Paid to approved institution Rs 20000 ,Gross Taxable Income after all the other Deductions Under Ch VI A Rs 200000)

-Mr Desai Permanent Blind

Q2

X, a foreign citizen (not being a person of India origin), leaves India for the first time in the last 20 years on November 20, 2003. During the calendar year 2004, he comes to India on September 1 for a period of 30 days. During the calendar year 2005, he does not visit India at all but comes to India on January 16, 2006. Determine the residential status of X for the assessment year 2006-07.

Q3

X, an employee of PQ Co. ltd, receives Rs. 78000 as gratuity. He is covered by the payment of Gratuity Act, 1972. He retires on December 12, 2005 after rendering service of 38 years and 8 months. At the time of retirement his monthly basic salary and dearness allowance was Rs. 2400 and Rs. 800, respectively. Is the entire amount of gratuity exempt from tax?

Q4

X retires from ABC Co. on June 30, 2005. He gets pension of Rs. 2000 per month up to January 31, 2006. with effects from February 1, 2006, he gets 60 per cent of pension commuted for Rs. 40,800. Does it make any difference if he also gets gratuity of Rs . 4000 at the time of retirement ?

Q5

Mr Saurav Ganguly has house which he had acquired by borrowing the funds, discuss the admissibility of Interest on borrowed funds for five years beginning from Previous Year 2006-2007 under both the cases

-if it is let out

-if it is Self Occupied

House At Mumbai Date of Borrowing 01-04-2000 Amount Borrowed Rs 2500000 Rate Of Interest 12%P A Date of Acquisition 26-12-2006.

MMS I YEAR
SUBJECT - INDIRECT TAXES

SECTION - II

- I) Answer any Three Questions
II) All Questions Carry Equal Marks
III) Total Questions are Eight.

Total Marks - 50

- Question 1. Discuss salient features of Central Excise Act 1944.
Question 2. Discuss salient features of Central Excise Tariff Act 1985.
Question 3. Discuss salient features of Custom Tariff Act 1975.
Question 4. Discuss Import and Export Procedure Under Customs Act 1962.
Question 5. Discuss Cenvat Credit Rules 2004.
Question 6. Discuss Service Tax (Finance Act 1994).
Question 7. Discuss briefly the Provisions of Maharashtra Value Added Sales Tax Act 2005.
Question 8. Discuss Central Excise Valuation Rules 2000.