

CBCS SCHEME

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MBAFM413

Fourth Semester MBA Degree Examination, June/July 2026

Tax Management

Time: 3 hrs.

Max. Marks: 100

- Note: 1. Answer any FOUR full questions from Q.No.1 to Q.No.7.
 2. Question No. 8 is compulsory.
 3. M : Marks , L: Bloom's level , C: Course outcomes.*

			M	L	C
Q.1	a.	What is Tax Management?	3	L2	CO1
	b.	Briefly explain different taxable allowances with reference to salary.	7	L2	CO1
	c.	Write a note on concepts of Income Tax Act of 1961.	10	L3	CO2
Q.2	a.	What do you mean by GST?	3	L2	CO1
	b.	Mr Vinay who resides in Chennai gets ₹ 3,00,000 per annum as basic salary. He receives ₹ 50,000 per annum as house rent allowance. Rent paid by him is ₹40,000 per annum. Determine the amount of taxable house rent allowance for assessment year 2026-27.	7	L3	CO2
	c.	Mr Venkatesh Sharma is resident and ordinarily resident in India for the Assessment year 2026-27. He gives the following information in respect of his income for the previous year 2025-26: 1) Capital gain on sale of a house situated in Pune (sale consideration is received in Nepal) ₹ 10,00,000 2) Salary received in Sri Lanka for rendering services in Tamil Nadu (salary after standard deduction being) ₹1,60,000 3) Interest received from Government of India (it is paid to him in Sri Lanka, the money is utilized by the Government outside India) ₹2,56,000 4) Royalty received from A Ltd. (A foreign company which company which is nonresident in India) outside India (royalty is paid for a manufacturing business situated outside India) ₹92,00000. Determine Taxable Income for Assessment Year 2026-27 of Mr. Venkatesh Sharma.	10	L3	CO2

Q.3	a.	What is MAT?	3	L2	CO1
	b.	List out the Taxable income under head Income from other sources.	7	L2	CO1
	c.	Write a note on Important Definitions under Customs Act of 1962 of India.	10	L3	CO2
Q.4	a.	What is meant by House Property?	3	L2	CO1
	b.	Mr. Sridhar an employee of PQ Co. Ltd. Receives ₹ 7,80,000 as gratuity. He is covered by the Payment of Gratuity Act of 1972. He retires on December 12, 2025 after rendering service of 38 years and 8 months. At the time of retirement his monthly basic salary and dearness allowance was ₹24,000 and ₹8,000 respectively. Determine amount of gratuity exempt from tax.	7	L3	CO2
	c.	Shri Sharma sells his residential house in Mangaluru on 24 th August, 2025 for ₹55,00,000 and incurs an expenditure of ₹1,00,000 in connection with the transfer. Cost of acquisition of the house for him in 1998 was ₹8,00,000 and on 1 st April, 2001 the fair market value was ₹9,00,000. On 16 th January, 2026 he deposits ₹18,00,000 in the Capital Gains Account Scheme. Compute the taxable capital gains for the Tax Year 2026-27. The cost of inflation index for 2001-02 was 100 and for 2025-26 it was 376.	10	L4	CO2
Q.5	a.	What do you mean by Block of Assets U/S 2(11)?	3	L2	CO1
	b.	Write the permissible deductions in Computing total income of Assessee.	7	L3	CO2
	c.	Explain briefly types of registration under CGST ACT, 2017.	10	L3	CO2
Q.6	a.	What is Capital Gain?	3	L2	CO1
	b.	Determine residential status in the following cases for A.Y 2026-27: 1) Shri Om Prakash, an Indian citizen was born in the UK He came to India, when he was of 12 years age and went outside India for the first time when he was 25 years of age. He left for the UK in May, 2023 and again came back to India in March 2026. 2) Mr. Nixon an American Citizen, was appointed as a senior Scientific Officer in India on 1 st April, 2015. On 31 st January, 2023 he went to Uganda on deputation for a period of 3 years, but left his wife and children in India. On 1 st May, 2024 he came to India and took with him his family to Uganda on 30 th June, 2024. He returned to India and joined his original job on 2 nd February, 2026.	7	L3	CO2

- Q.6** c. Shri Ram Prasad is a registered medical practitioner. He has prepared the following Income & Expenditure Account for the Tax year 2026-27. You are required to compute his income from profession.

Particulars	Amt. ₹	Particulars	Amt. ₹
To Household expenses	1,20,000	By Consultation Fees	1,10,000
To Car Purchased	1,30,000	By Visiting fess	1,20,000
To Travelling expense (personal)	4,000	By Gains on Race (gross)	10,000
To Charity & donation	1,000	By Share in sale proceeds of an ancestral property	34,000
To Income Tax	2,000	By Capital gain	6,000
To Salaries	9,200	By Dividend from UTI (gross)	5,000
To Gift to daughter	7,000	By Interest from P.O. Savings Bank	600
To Establishment Expense	1,000	By Gifts from father-in-law	2,000
To Surgical equipment	4,000	By Bad debts recovered (not allowed in earlier years)	2,000
To Life Insurance Premium	2,000	By Interest on FD (Gross)	1,300
To Interest on Capital	2,000		
To Net Surplus	8,700		
Total	2,90,900	Total	2,90,900

Rate of Depreciation allowable on car and surgical equipment is at 15% .

- Q.7** a. Define Business Under IT Act of 1961. 3 L2 CO1
- b. The book profits of a company in the tax year 2026-27 computed in accordance with Sec.206 of the Income Tax Act, is ₹12,00,000. Its total income under the Income Tax Act for the same period is computed at ₹3,50,000. Is the company liable to pay Minimum Alternative Tax-MAT? If yes, how much has to be paid? 7 L3 CO2

Q.7

c.

Mr Ram Kumar, owns the following assets on 1st April ,2025:

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L3

CO2

Assets	WDV as on 1 st April , 2025 ₹	Rate of Depreciation (%)
Furniture	20,170	10
Building	9,00,500	10
Plant & Machinery	2,10,000	20
Plant & Machinery	64,00,000	15
Plant & Machinery	2,05,000	40

During the previous year 2025-26, the following assets are purchased by Ram Kumar

Date of Purchase	Date when the asset is put to use	Asset	Cost ₹	Dep. Rate (%)
October 1, 2025	October 9, 2025	Trademark	15,000	25
June 20, 2025	June,22, 2025	Plant & Machinery (Second Hand)	1,90,000	40
November 30, 2025	December 1, 2025	Foreign made office machinery	1,40,000	15
December 6, 2025	December10,2025	Books for Professional use	2,700	40

Determine the amount of Depreciation for assessment year 2026-27.

Case Study (Compulsory Question) :

Q.8		During the previous year 2025-26, Mr. Sanjay Tripathi is employed by a Pharmaceutical Company situated at Bengaluru. He gets the following from the employer: • Basic Salary ₹ 34,000 per month • Dear Allowance :30% of basic salary per month(40% is considered for retirement benefits) • Dearness Pay: ₹ 5,000 per month (nothing is considered for retirement benefits) • Fixed Commission: ₹4,000 per month • 5% of Commission (as incentive) on Turnover of ₹12,00,000 achieved by Sanjay for the year • House Rent Allowance ₹ 15,000 per month received but rent paid ₹17,000 per month • Interest credited in PF account ₹ 56,000 (rate of interest 11%) • Sanjay has been provided health club facility at a 4-star hotel in Bengaluru by the employer-company. This facility is available to all employees of the company. Annual expenditure for providing this facility is Rs 7,000 per month, borne by employer. Compute the total taxable income from salary assessment 2026-27 under old regime and new regime of Mr Sanjay Tripathi.	20	L4	CO3
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