

**Dr. Babasaheb Ambedkar Open University**  
**Term End Examination February – 2026**

|              |                         |            |                      |
|--------------|-------------------------|------------|----------------------|
| Course       | : PGDF                  | Date       | : 16-Feb-26          |
| Subject Code | : PGDF-204              | Time       | : 03:00pm to 05:15pm |
| Subject Name | : Taxation for Managers | Duration   | : 02.15 Hours        |
|              |                         | Max. Marks | : 70                 |

---

**Section A**

**Answer the following (Attempt any three)**

**(30)**

1. Explain the Difference between direct and indirect tax.
2. Explain the Expenses allowed as Deduction from Profit and Gain of Business or Profession.
3. The following is the balances of Profit and Loss A/c of X, for the year ended 31-3-2010. Compute his income from business for A.Y. 2010-11.  
opening Stock 15,000  
Sales 2,10,000  
purchases 40,000  
Closing Stock 20,000  
Wages 20,000  
Gift from father 27,000  
Rent 46,000  
Income tax refund 3,000  
Repairs of Motor Car 3,000  
Wealth Tax paid 2,000  
Medical Expenses 3,000  
General Expenses 10,000  
Motor Car 30,000  
Provision for Dep. on motor car 4,000  
Advance tax paid 1,000  
profit for the year 86,000

Following further information is given:

1. X carries on his business for rented premises half of which is used as his residence.
2. The use of the car was 3/4th for the business and 1/4th for personal purposes.
3. Medical expenses were incurred during sickness of X for his treatment.
4. Wages included Rs. 2,500 on account of X's driver.
5. As per rule the rate of depreciation on Motor car is 20%.
4. Shri Hari Gopal is a member of parliament from Pune. During the previous year 2009-10. he had the following incomes:
  1. As a member of parliament he received a salary of Rs. 8,000 p.m. & daily allowance of Rs. 40,000 for attending various sessions.
  2. He held the following investments.
    - a. 10% Preference Shares in Pune Sugar works Ltd., of the face value of Rs. 10,000.
    - b. 2,000 equity shares of Rs. 10 each in Tata Finlay Ltd.  
The company declared & paid a dividend at 15 % on 15th February, 2006.
    - c. A 10% fixed deposit of Rs. 20,000 is held by him in Indian Banks.  
Interest is credited annually.
    - d. He received dividend of Rs. 1,000 from a co-operative society.

- Compute the taxable income of Shri Hari Gopal under the head Income from other Sources.

- 1 There are \_\_\_\_\_ major heads of income under income tax act.  
A Five B Ten  
C Six D twenty
- 2 India has a \_\_\_\_\_ tier Government.  
A Two B Four  
C Three D five
- 3 \_\_\_\_\_ means a person by whom any tax or any other sum of money is payable under this Act  
A Individual B person  
C Assessee D Company

- 4 Any sum received under a Keyman Insurance Policy will be taxed under \_\_\_\_\_.
- A Other sources B Business or profession  
C salary D None of these
- 5 Capital gains on the transfer of a capital asset is chargeable under tax.
- A u/s Sect. 45(1) B u/s sec 45 (1) A  
C u/s sec 43(3) D None of these
- 6 \_\_\_\_\_ is essentially the difference between the purchase price and the price at which the asset is sold. where the sale price is lower than the purchase price.
- A A capital gain B Both a & c  
C A capital loss D None of these
- 7 \_\_\_\_\_ means goods declared under Section 14 to be of special importance in Inter-State trade or commerce.
- A Declared goods B Important goods  
C Undeclared goods D None of these
- 8 An application for registration under Section 7 shall be made by a dealer to the notified authority in \_\_\_\_\_.
- A Form B B Form A  
C Form C D None of these
- 9 When a taxable service is provided by an intermediary, it is \_\_\_\_\_ to tax.
- A liable B Not liable  
C Both a & b D None of these
- 10 Every person liable to pay service tax is required to furnish a \_\_\_\_\_ return of service tax in the prescribed manner.
- A half-yearly B quarterly  
C yearly D None of these

### **Part – B (Do as Directed)**

**(10)**

- 1 Define Dividends.
- 2 Define Indian Company.
- 3 What is Global Income Tax?
- 4 What is Tax free Government Securities?
- 5 Define Input Tax.
- 6 What is Taxpayer Identification Number.
- 7 Explain Sole Proprietorship.
- 8 Define Tax Secrecy.
- 9 Explain Indirect Tax.
- 10 Explain Turnover Tax.

\*\*\*\*\*