



MEASI INSTITUTE OF MANAGEMENT CHENNAI-14

Approved by All India Council of Technical Education and
Affiliated to the University of Madras, ISO 9001:2015 Certified Institute

CASE STUDIES

TAX MANAGEMENT

Case Study Number	1
Level of Teaching	L3
Program Outcomes Covered	PO1, PO2
Course Outcome Covered	C306.2

Mr Abdul working in a school in Chennai drawing a basic Salary of Rs.16250 Per month and Dearness Allowance of Rs.8000 per month which was forming part of his service. Abdul lived in Adyar and paid a rent of Rs.6250 per month. The school also paid city compensation allowances of Rs.600 per month. The company announced Diwali bonus of Rs.6000. As a part of House Rent allowance he was paid Rs.8150 per month. Abdul actively involved himself in academic research for which he was paid academic research allowance of Rs.700 per month but he actually spent Rs.400 towards his academic research. He had two children who were studying in a school at Adyar.6 and the school paid education allowance of Rs. 600 to meet this expenses.

- What will be the taxable salary for Mr.Abdul
- Is HRA of Rs.8150 per month fully taxable? Substantiate your answer
- What will be the taxable Academic Research Allowance



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Case Study Number	2
Level of Teaching	L3
Program Outcomes Covered	PO1, PO2
Course Outcome Covered	C306.3
<p>Mr.Jeevan was working in ABC Ltd drawing a salary of Rs.25000 per month. He received conveyance allowance of Rs. 800 per month apart from the salary. But he actually spent only 400 per month towards conveyance. He contributed Rs.40,000 towards PPF and paid Rs.5000 as medical insurance premium. Mr. Jeevan had his own house from which he received Rs. 3000 per month as rent and he paid Rs.3000 as municipal tax for the house, The Gross Annual Value of the house is Rs.1,50,000. Apart from this Mr. Jeevan received Rs.4,50,000 as income from other sources.</p> <ul style="list-style-type: none">• What will be the taxable income from salary for Mr.Jeevan?• What will be the Income from House Property?• Determine the tax liability on the part of Mr.Jeevaan.	



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Case Study Number	3
Level of Teaching	L3
Program Outcomes Covered	PO1, PO2
Course Outcome Covered	C306.1

Mr. Santhosh was born in India in the year 1980. Mr.Santhosh had an offer from Canada and shifted to Canada on 25.12.1990. He stayed in Canada till 31.3.1995. There after he returned to India and stayed in Chennai from 1.4.1995 to 31.3.2000. Again Mr.Santhosh went to Canada on 1.4.2000 and stayed till 31.3.2005. Then he travelled to Spain for their business and stayed from 1.4.2005 to 24.8.2012. Again he returned to Canada on 25.8.2012 and stayed till 31.3.2014. On 1/4/2014 he came to India & till date he is staying in India.

- Do You think Mr.Santhosh is a resident of India? If so why?
- If he is a resident of India, is he a ordinary resident or not ordinary resident?
Substantiate your statement