

Roll No. ....

## **MS-401/FM-2102**

### **Corporate Tax Planning/Taxation : Direct and Indirect**

(नैगमिक कर आयोजन/कराधान : प्रत्यक्ष तथा अप्रत्यक्ष)

Master of Business Administration  
(MBA-10/12/13/16/17)

Third Semester, Examination, 2018

**Time : 3 Hours**

**Max. Marks : 80**

**Note :** This paper is of **eighty (80)** marks containing **three (03)** Sections A, B and C. Learners are required to attempt the questions contained in these Sections according to the detailed instructions given therein.

#### **Section-A**

#### **(Long Answer Type Questions)**

**Note :** Section 'A' contains four (04) long answer type questions of nineteen (19) marks each. Learners are required to answer *two* (02) questions only.

1. "Tax Planning is a legal and moral way of Tax Saving." Discuss the statement. What are the objectives of tax planning ?
2. Enumerate the deductions allowed to be made from 'income from house property'.
3. What are the specific provisions as concerned to depreciation and set off of losses and carry forward of losses under the Income Tax Act, 1961 ?

**(B-55) P. T. O.**

4. X Limited is a widely held company. It is currently considering a major expansion of its production facilities and the following alternatives are available :

Particulars	Alternatives		
	One (₹)	Two (₹)	Three (₹)
Share Capital	10,00,00,000	4,00,00,000	2,00,00,000
Debentures (15%)	—	4,00,00,000	3,00,00,000
Loan from financial institutions @ 18%	—	2,00,00,000	5,00,00,000

Expected rate of return (before tax) is 25%. The rate of dividend of the company since its inception is not less than 20% and the date of dividend declaration is June 30 every year.

As a tax consultant advise the company which alternative it should opt giving reason.

### Section-B

#### (Short Answer Type Questions)

**Note :** Section 'B' contains eight (08) short answer type questions of eight (08) marks each. Learners are required to answer *four* (04) questions only.

1. What are perquisites ? Explain with examples of taxable and tax-free perquisites.

2. Explain the provisions of Section 80 C of Income Tax Act, 1961 regarding deduction from GTI.
3. What is tax deducted at source ? Discuss the provisions of TDS in brief.
4. Briefly explain the provisions of avoidance of double taxation agreements under the Income Tax Act, 1961.
5. Explain how and when tax credit is allowed in respect of Minimum Alternate Tax paid by a company.
6. What deductions are allowed in computing taxable profits of a business and also state expenses and losses which are not admissible.
7. What deductions are permitted from income from other sources ?
8. Explain the provisions of Income Tax Act, 1961 in respect of residential status of a Company and Incidence of Tax.

### **Section-C**

#### **(Objective Type Questions)**

**Note :** Section 'C' contains ten (10) objective type questions of one (1) mark each. All the questions of this Section are compulsory.

Indicate whether the following are True *or* False :

1. The year in which income is earned is known as Assessment year.
2. Tax evasion is unlawful and punishable.

3. Speculative business losses can be set off against any head of income.
4. Unlike tax planning, tax management has a limited scope.
5. As far as possible depreciation should be calculated on W. D. V. basis for minimising tax incidence.
6. Refund of tax not credited to Profit and Loss Account cannot be added to book profits.
7. A Limited Liability partnership has perpetual succession.
8. The National Defence Fund set up by the Central Govt. is allowed @ 100%.
9. It is obligatory to pay advance tax where advance tax is payable ₹ 8,000 or more.
10. Dividend received from domestic company is taxable.