

P-713

Total Pages : 3

Roll No.

MS-401

Corporate Tax Planning

Master of Business Administration (MBA)

3rd Semester Examination, 2023 (June)

Time : 2 Hours]

Max. Marks : 70

Note : This paper is of Seventy (70) marks divided into two (02) Sections A and B. Attempt the questions contained in these sections according to the detailed instructions given therein. Candidates should limit their answer to the questions on the given answer sheet. No additional (B) answer sheet will be issued.

SECTION-A

(Long Answer Type Questions)

Note : Section 'A' contains Five (05) long answer type questions of Nineteen (19) marks each. Learners are required to answer any Two (02) questions only.

(2×19=38)

1. What is tax planning? Distinguish between tax planning and tax management. Explain the elements of tax management.

2. What tax concessions are allowed to industrial enterprises? Explain the objectives of such concessions.
3. What incentives have to be kept in mind while selecting location of business?
4. Which expenses are allowed in computing taxable profits of a business and also state expenses or losses which are not eligible?
5. A company requires Rs. 60,00,000 to finance an expansion project. Expected rate of return before interest and tax is 25% of the investment. The company has the following three financing option :

Source of finance	Options		
	I	II	III
Equity	60,00,000	40,00,000	20,00,000
12% Debentures	–	20,00,000	40,00,000

The corporate tax rate applicable to the company is 30% plus 10% surcharge (if the income exceeds Rs. One crore) and 3% education cess.

The company decides to distribute the entire earnings as dividend. The corporate dividend tax on the amount of dividend distributed is 17% plus 10 % surcharge and 3% education cess.

Suggest the best financing option to the company and offer your comments.

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 any Four (04) questions only. (4×8=32)

1. Residential status of an assessee.
 2. Limited Liability Partnership.
 3. Book Profits.
 4. Difference between Perquisites and Allowances.
 5. Unabsorbed Depreciation.
 6. Tax provisions in respect of corporate Dividends.
 7. Deduction under section 80C.
 8. Deductions allowed from Annual Value of house property.
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