

C 32835

(Pages : 2)

Name.....

Reg. No.....

**THIRD SEMESTER M.B.A. DEGREE EXAMINATION, DECEMBER 2017**

(CUCSS)

Finance

BUS 3E F02—CORPORATE TAXATION

(2013 Admissions)

Time : Three Hours

Maximum : 36 Weightage

**Part A**

*Answer to all the sections.  
Each question carries 1 weightage.*

1. What is Tax Management ?
2. What is Tax Evasion ?
3. What is Tax Deducted at Source ?
4. What is a company said to be resident in India ?
5. What is Gross Total Income ?
6. What is meant by FBT ?

(6 × 1 = 6 weightage)

**Part B**

*Answer any six questions.  
Each question carries 3 weightage.*

7. Explain how to compute total income.
8. Explain the expenses which are expressly allowed as deduction.
9. Explain the expenditure incurred on scientific research.
10. Explain the tax liability in cases of foreign collaborations and joint ventures.
11. Explain the expenditure on acquisition of patent rights or copy rights.
12. A textile manufacturing company, debited to its interest accounts a sum of Rs. 1,00,000 being the interest on a loan of Rs. 10, 00,000 taken for financing its expansion scheme. The machinery and plant for the project purchased with the loan were not brought into use during the year as those were still in transit at the end of the year. A sum of Rs. 10,000 had to be paid to a broker who had arranged the loan. Discuss the admissibility or otherwise of the interest and the brokerage in the company assessment as deduction in computing business profits.

Turn over

13. What are the special provisions under the head of income from business and profession ?  
 14. Explain the permissible deduction as per Indian Income Tax Act.

(6 × 3 = 18 weightage)

**Part C**

*Answer any two questions.  
 Each question carries 6 weightage.*

15. The net profit of Alpha Ltd. for the year ended 31st March amounted to Rs. 15,00,000 after debiting/crediting the following items :

	Rs.
Provisions for bonus	... 60,000
Provision for commission to employees	... 76,000
Payment for technical know-how installment	... 1,50,000
Legal expenses incurred for the issue of share capital	... 40,000
Interest paid on unpaid purchase price of business asset	... 25,000
Cost of goods purchased from G company, bearer cheque	... 80,000
Rent received from staff for quarters	... 75,000
Expenditure on scientific research	... 1,50,000
Land revenue in connection with workers quarters	... 12,000

Calculate the taxable income of the company for the Assessment Year ?

16. Describe the chargeability/scope of income under the head of Profits and gains of business or profession.  
 17. What are the steps for tax planning of a company illustrate with assumed figures ?

(2 × 6 = 12 weightage)