



RC-4425-26

**M.B.A. (Sem. IV) (F.T.) &
M.B.A. (Sem. IV) (E) Examination
April / May – 2010
(OF & A-402) : Corporate Taxation &
Financial Planning**

Time : 3 Hours]

[Total Marks : 100

RC-4425

Instructions : (1)

नीचे दशावेक निशानीवाणी विगतो उत्तरवडी पर अवश्य वजवी. Fillup strictly the details of signs on your answer book.	Seat No. :
Name of the Examination :	<input type="text"/>
<input type="checkbox"/> M.B.A. (Sem. 4) (F.T.) & M.B.A. (Sem. 4) (E)	<input type="text"/>
Name of the Subject :	<input type="text"/>
<input type="checkbox"/> (OF & A-402) : Corporate Taxation & Financial Planning	<input type="text"/>
Subject Code No. : <input type="text" value="4"/> <input type="text" value="4"/> <input type="text" value="2"/> <input type="text" value="5"/>	<input type="text"/>
Section No. (1, 2,.....) : <input type="text" value="1"/>	
Student's Signature	

- (2) Answers to the **two** sections must be written in **separate** answer books.
- (3) Figures to the **right** indicate **full** marks.
- (4) **All** questions are **compulsory**.

- 1 Distinguish between 'tax evasion' and 'tax avoidance'. 18
Do you agree that tax evasion takes place on account of high tax rates? Do you agree that if we create awareness about advantages of 'tax planning' we can minimize 'tax evasion' and 'tax avoidance'? Explain by giving some examples.
- 2 For the previous year 2009-2010, X submits the following 16
information - Basic Salary: Rs. 1,20,000; dearness allowance: Rs. 40,000 (46% of which is part of salary for retirement benefits); Commission : Rs. 6,000 (i.e. 1 per cent of Rs. 6,00,000 being turnover achieved by X) and children education allowance of his 2 children: Rs. 7,200. The employer contributes Rs. 20,000 towards provident fund to which a matching contribution is made by X. Interest

credited in the provident fund account on March 15, 2010 @ 11% comes to Rs. 93,500. Find out the taxable income of X for the assessment year 2010-11 if the provident fund is :

- (a) Statutory provident fund,
- (b) Recognized provident fund
- (c) Unrecognized provident fund

OR

- 2** What do you mean by term 'perquisites' u/s 17(2) under the head 'income from salary'? Explain the rules for the valuation of the following perquisites : **16**
- (a) Rent free furnished accommodation
 - (b) Free medical facilities
 - (c) Leave travel concession
- 3** Write short notes on any **two** of the following : **8**
- (a) Specified and Non-specified employees.
 - (b) Computation of income from a let house property
 - (c) Income which is partially from agriculture and partially from business (Rules 7, 7A, 7B and 8).
- 4** Answer any **one** of the following : **8**
- (a) What are the tax exemptions for the capital gains according to section 54 of Income Tax?
 - (b) What do you understand by residential status of an individual? Explain and illustrate.

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Name of the Examination : M.B.A. (Sem. 4) (F.T.) & M.B.A. (Sem. 4) (E)	Student's Signature
Name of the Subject : (OF & A-402) : Corporate Taxation & Financial Planning	
Subject Code No. : 4 4 2 6 Section No. (1, 2,.....): 2	

- (2) Answers to the **two** sections must be written in **separate** answer books.
- (3) Figures to the **right** indicate **full** marks.
- (4) **All** questions are **compulsory**.

- 5 Critically evaluate proposed budget of 2010-2011 with reference to individual and corporate point of view. **10**
- 6 X gives the following information : **12**

X

Residential house situated at Kolkatta

Date of Transfer	December 30, 2009
Date of Purchase	June 30, 1992
Sale consideration	35,00,000
Cost of acquisition	2,00,000
Expenses on transfer	40,000

Amount deposited in capital gains deposit account scheme on June 20, 2010

21,00,000

To get the exemption under section 54, the following residential house properties are purchased at Chennai by X and Y by withdrawing from the deposit account -

Date of Purchase	June 20, 2011
Cost of Acquisition	15,00,000

Find out the capital gain chargeable to tax in the hands of X for different assessment years. (Cost Inflation Index for 1992-93 is 223, Cost Inflation Index for 2010-11 is 632).

- 7 Write short note on any **one** of the following : **16**
- (a) Tax planning while converting sole proprietorship into company
 - (b) Tax Planning and financial structure of a company.
- 8 Discuss any **two** of the following : **16**
- (a) Powers of Assessing Officer
 - (b) Wealth Tax
 - (c) Difference between Gross Salary, Net Salary, Taxable Salary and cost to the Company.
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