



K21U 0186

Reg. No. : .....

Name : .....



VI Semester B.Com. Degree (CBCSS – Reg./Supple./Improve.)

Examination, April 2021

(2014-2018 Admissions)

Core Course

Optional – C : Finance – IV

6B19COM : CORPORATE TAX PLANNING

Time : 3 Hours

Max. Marks : 40

PART – A

Answer **all** questions. **Each** carries  $\frac{1}{2}$  mark.

1. Any receipt which is of a casual and non-recurring nature is
2. The annual value of let-out house can be \_\_\_\_\_ when the municipal taxes paid by the owner are more than the gross annual value.
3. A \_\_\_\_\_ is an incentive program run by the government. It helps to stimulate foreign investment by reducing taxes on businesses.
4. Unorganised Provident Fund is maintained in \_\_\_\_\_ organizations. ( $4 \times \frac{1}{2} = 2$ )

PART – B

Answer **any four** questions. Answer should **not** exceed **one page each**. **Each** question carries **one** mark.

5. What is Municipal rent ?
6. What are Perquisites ?
7. What do you mean by Standard Deduction ?
8. What is Capital Gain ?
9. What do you mean by Gross Total Income ?

P.T.O.



10. What is Previous Year ?

11. What do you mean by Surcharge ?

12. What do you mean by Public Provident Fund ?

(4×1=4)

### PART – C

Answer **any six** questions (**not** exceeding **one** page). **Each** carries **three** marks.

13. What are the income that are chargeable to Income Tax under the head 'salaries' ?

14. State the items of income from house property which are not liable to tax.

15. Describe the method of computing income under the head 'Income from Other Sources'.

16. Differentiate Long term and Short term Capital Assets.

17. Explain the adjustment of House Rent Allowance.

18. What is Profits in lieu of Salary ?

19. What do you mean by annual value of property ?

20. Explain the tax provisions of Gratuity.

21. Mr. Kiran purchases 500 Equity Shares of Rs. 10 each for Rs. 40 per share in 2007-08 and incurs an expenditure of Rs. 400 on brokerage. In May 2011 he receives 100 bonus shares. In September 2018 he gets 100 right shares for Rs. 20 each. He sold 100 bonus shares in November 2018 at Rs. 90 per share and 100 right shares @ Rs. 30 per share in December 2018. Find out his Capital Gains for the A.Y. 2019-2020. The Cost of Inflation Index for 2011-12 is 184 and for 2018-19 it is 280.

22. Determine the annual value of the house :

Municipal Value	Rs. 1,50,000
Fair Rent	Rs. 1,80,000
Standard Rent	Rs. 1,60,000
Actual Rent	Rs. 20,000 p.m.

Municipal tax paid by the owner of the MV.

Unrealised rent Rs. 40,000. Conditions of Rule 4 are satisfied.





23. Mr. Tewari is a Government servant during the year 2018-19 he got Rs. 60,000 p.m. as salary, Rs. 4,000 p.m. as D.A., Car allowance Rs. 500 p.m. and rent free house of the value of Rs. 1,000 p.m. He was also given Entertainment Allowance of Rs. 400 p.m. with effect from 1<sup>st</sup> January 2014 when he was promoted and that he did not spend any amount out of this for official purposes. Calculate the amount deductible u/s 16(ii).
24. Shri Hari, who was born and brought up in India, went for further studies to UK on 1<sup>st</sup> March 2017 and came back to India on 1<sup>st</sup> October, 2018 early morning. Find out his Residential Status for the Assessment Year 2019-2020. (6×3=18)

PART – D

Answer **any two** questions. **Each** carries **eight** marks.

25. What are the different categories into which the assesseees are divided with regard to residence ? Give a brief account of each of them.
26. Explain fully the deductions allowable under the head salaries.
27. Mr. Anil furnishes the following particulars of his incomes for the Previous Year 2018-2019. Compute his gross total income.

	Rs.
1) Dividend on Equity Shares	600
2) Dividend on Preference Shares (Gross)	3,200
3) Income from letting on hire of Building and Machinery under one composite lease	27,000
4) Interest on Bank Deposits	2,500
5) Director's sitting fees received	1,200
6) Ground Rent	600
7) Income from undisclosed sources	10,000
8) Winning from Lotteries (Net) received	14,000
The following deductions are claimed by him :	
a) Collection charges of dividend	20
b) Allowable Depreciation on building and machinery	4,000
c) Fire Insurance on building and machinery	100



28. Compute the taxable income of 'X' under the head 'Salaries' for the Assessment Year 2019-2020.

	Rs.
Basic Salary	40,000 p.m.
Dearness Allowance	600 p.m.
Entertainment Allowance	300 p.m.
Hill Area Compensatory Allowance	450 p.m.
Tribal Area Allowance	350 p.m.
Contribution to SPF	3,000 p.m.
Employers Contribution	3,000 p.m.
House Rent Allowance	4,000 p.m.
Interest credited to PF	16,500

'X' an officer of the forest department of Government of Tamil Nadu. He is employed at a place at a height of 1100 metre above the sea level. He is paying Rs. 6,000 p.m. as house rent.

29. Shri Lal, the proprietor of a flour mill, has prepared the following P&L Account for the year ending 31<sup>st</sup> March 2019. You are required to compute his Income from Business and his gross total income for the Assessment Year 2019-2020.

	Rs.		Rs.
Trade expenses	450	Gross profit	2,35,900
Establishment charges	2,200	Dividends from a	
Rent, Rates and Taxes	1,400	Co-op. Society	2,600
Discount and Allowances	200	Rent from Property	500
Income Tax	700	Bad debts allowed	
Advertisement Expenses	1,450	(Allowed as deduction	
Postage and Telegrams	100	in an earlier year)	2,000
Gifts and Presents for publicity	125		
Fire Insurance Premium	250		
Charities	375		
Donations	400		
Repairs and Renewals	250		
Audit fees	250		
Net profit transferred to			
Capital a/c	2,32,850		
	<b>2,41,000</b>		<b>2,41,000</b>

30. Explain the difference between recognised provident fund and unrecognised provident fund. Explain the income tax provisions regarding each. (2×8=16)