



K21U 0186(A)

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. Section 115 JB relates to _____
2. Reducing tax liability by utilising the deductions and exceptions allowed in the Act is called _____
3. A person carries not less than _____ % of the voting power in a company is said to have substantial interest in the company.
4. MAT is applicable to _____ assessee. (4× $\frac{1}{2}$ =2)

PART – B

Answer **any four** questions. **Each** carries **one** mark :

5. What do you understand by tax evasion ?
6. Explain interim dividend.
7. What is Dividend Distribution Tax ?
8. What is bonus share ?
9. Define Amalgamation as per Income Tax Act 1961.

P.T.O.



10. What is AMT ?

11. What is Double Taxation ?

12. What is Merger ?

(4×1=4)

PART – C

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

13. Distinguish between Tax Planning and Tax Management.

14. Explain the tax considerations to be kept in mind while deciding on owning or leasing business asset.

15. Write a note on tax incentives to shareholders of demerged company.

16. Explain the incomes exempt in the hands of a non resident.

17. Explain the provisions for payment of dividend distribution tax.

18. Explain the provisions relating to Minimum Alternative Tax.

19. State Special Provision for Computation of Total Income of Non Residents.

20. Explain the scheme of Advanced Ruling.

21. Write a note on the powers of Settlement Commission.

22. Explain the Tax Planning provision in case of a Hospital.

23. Three firms A, B, C raised the capitals as under :

	Firm A Rs.	Firm B Rs.	Firm C Rs.
Capital	4,00,000	3,20,000	80,000
Loans		80,000	3,20,000
Total Investment	4,00,000	4,00,000	4,00,000

Rate of return 25%, Rate interest on loan 10%, Rate of tax 30%.

Explain whose capital structure is the best and why ?

24. What is National Tax Tribunal ? Explain its powers.

(6×3=18)



PART – D

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

25. Explain the main points of tax planning in respect of employees remuneration from employee's point of view.
26. What tax concessions are available in case of demerger to :
- a) A demerged company
 - b) Resulting company
27. Decide which one is better alternative -lease or buy- in the following situations ?
- Tax rate 35%
- Cost of capital 12%
- Depreciation rate (income tax) 25%
- Lease rent Rs. 32,000 per annum for 5 years (per Rs.1 lakh)
- Present value of Re.1 discounted @ 12% is as follows
- Year 1 = 0.893, Year 2 = 0.797, Year 3 = 0.712, Year 4 = 0.636, Year 5 = 0.567.
- Cost of the machine is Rs. 1,00,000.
- Machine sold for Rs. 5,000 at the end of five year period.
28. Briefly explain the provisions in the Income Tax Act relating to Double Taxation Relief.
29. What is amalgamation? Explain the Various Tax Incentives for Amalgamation.
30. Explain various methods used by Tax Payers to reduce Tax Liability. (2×8=16)
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