



K19P 0133

Reg. No. :

Name :

IV Semester M.Com. Degree (Regular) Examination, April 2019
(2017 Admission Onwards)
Elective – A. Finance
COM 4E04 : CORPORATE TAX MANAGEMENT AND GST

Time : 3 Hours

Max. Marks : 60

SECTION – A

Answer **any 4** questions in this Section. **Each** question carries **1** mark for Part (a), **3** marks for Part (b) and **5** marks for Part (c).

1. a) Define an AOP.
b) What are the rate prescribed for Assessment of AOP or BOI ?
c) The total income of a co-operative society computed under the normal provisions of Income Tax Act is ₹ 3,00,000/-. However the adjusted Total Income of the co-operative society (computed as per Section 115JC(2)) amounted to ₹ 30,00,000/-. Calculate Final Tax liability of co-operative society for the Assessment Year 2018-19.
2. a) What do you mean by Domestic company ?
b) What is Book Profit ? What is the relevance of Book Profit in the Assessment of companies ?
c) Surya Company Ltd. furnish the following details. You are required to calculate tax liability.

Book profit under Section 115-JB	9,00,000
Dividend from Domestic company	15,000
Dividend from Foreign company	10,000
Long term capital gain	35,000
Short term capital gain	13,000
Interest on Govt. Securities	25,000
Income from Business	5,00,000

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3. a) What do you mean by defective return of Income ?
 b) What are the steps for e-filing of Income Tax Return ?
 c) What is PAN ? Give ten transactions where quoting PAN is compulsory.
4. a) What do you mean by advance tax ?
 b) Describe different modes of recovery of tax.
 c) Mr. Suresh receives the following during the financial year 2018-19.
 Salary 8,67,500. His annual contribution to RPF ₹ 62,000, he had paid ₹ 12,000 towards Life Insurance premium, ₹ 1,000 towards Unit linked Insurance Plan 1971. Calculate his TDS from salary.
5. a) What is GST ?
 b) What are the taxes replaced by GST ?
 c) What are the benefits of GST ?
6. a) What is taxable event under GST ?
 b) What are the registration procedure under GST ?
 c) Briefly explain the structure of GST council.

SECTION – B

Answer the **two** questions in this Section. **Each** question carries **12** marks.

7. a) Explain the general principles of imposing penalty.

OR

- b) A Ltd. proposed to increase its production for which it will require ₹ 1,00,00,000. The Company proposes the following 3 alternatives for the structure of the additional capital.

	I	II	III
Share capital	1,00,00,000	40,00,000	20,00,000
10% debentures	–	40,00,000	30,00,000
Loan from Bank (Int. 12%)	–	20,00,000	50,00,000

expected return on capital employed in business is 25% (before tax). Generally, companies engaged in similar business are paying 20% dividend on its share capital. Assume tax rate is 30%, surcharge 5% and education cess 3%.

You have to advice the company as to which alternative it should choose for the capital structure so as to pay maximum dividend to shareholders.



8. a) "Tax planning is not possible without tax management". Discuss.

OR

b) Sanjay Ltd. a domestic company provides you the following information compute tax liability for the A/Y 2018-19.

Purchases	18,75,000	Sales	75,25,000
Wages	8,45,000	Closing stock	1,10,000
Freight	12,500		
G.P. c/d	49,02,500		
	76,35,000		76,35,000
Salary	8,50,000	G.P.b/d	49,02,500
General exp.	4,35,000	Dividends from	
Sales exp.	2,15,000	Indian Co.	17,500
Directors Remu.	8,22,000		
Income tax	1,80,000		
Penalty (excise)	10,000		
Proposed dividend	3,20,000		
Provision for loss of subsidiary company	2,00,000		
Net profit	18,88,000		
	49,20,000		49,20,000

- 1) Purchases include one bill of ₹ 60,000 against which payment was made in cash.
- 2) General expenses include ₹ 15,000 as Interest on loan taken from Bank Interest has not been paid so far.

	As per IT Act	As per Books of A/c
3) Brought forward losses	2,80,000	1,40,000
Unabsorbed depreciation	1,70,000	50,000
Calculate tax liability.		(2×12=24)