

22P444

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Name:

Reg. No:

FOURTH SEMESTER M.Com. DEGREE EXAMINATION, APRIL 2024

(CBCSS - PG)

(Regular/Supplementary/Improvement)

CC19P MCM4 C15 – INCOME TAX LAW, PRACTICE AND TAX PLANNING - II

(Commerce – Core Course)

(2019 Admission onwards)

Time: Three Hours

Maximum: 30 Weightage

Part A

Answer any *four* questions. Each question carries 2 weightage.

1. What is Security Transaction Tax?
2. What is MAT.? Explain the basic provisions of MAT?
3. How do you determine the residential status of companies?
4. Define AOP. What are the steps regarding computation of total income of AOP?
5. Explain tax planning related to Special Economic Zones (SEZ).
6. What are the different types of trust?
7. What are the rates of tax in case of a partnership firm?

(4 × 2 = 8 Weightage)

Part B

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

8. Describe the tax planning provisions in respect of own or lease?
9. What are the tax incentives provided for new startups?
10. Explain the deductions from income allowed to a co-operative society's u/s 80 P?
11. The directors of Zee Ltd., whose existing capital is ₹ 1 crore, all in equity shares, proposes to expand its business for which an additional investment of ₹ 50 lakh would be required. The entire money can be raised either by issuing equity shares or by issuing 10% debentures. They decide in favour of issue of equity shares. As a tax consultant do you approve the proposal? Assume that rate of return is 20% and rate of income tax is 30%, ignore corporate dividend tax?
12. Income of Druva Charitable Trust for the FY 2021-22 from property held for charitable purpose is ₹15,00,000. Amount actually spent during FY 2021-22 for charitable purpose is ₹11,00,000. Determine the taxable income of trust.
 - 1) If trust not applied for option for extended time.
 - 2) If trust applied for extension of time and actually spent ₹ 1,50,0000 during that extended year.

(1)

Turn Over

13. A, B and C are partners in a firm assessed as firm sharing profits and losses in the ratio of 3:2:1. The firm's profit and loss account as on 31st march 2022 showed a net profit of ₹ 58,680 after debiting the following.

- i) Salary ₹ 2,000 paid to C;
- ii) Commission to B ₹ 500
- iii) Donation to approved bodies ₹ 2,500

The amount of net profit includes ₹ 5,200 from interest on government securities. Compute from business profit.

14. Vadaka co-operative society have income from the following sources. Compute taxable income for the assessment year 2022-23.

Income from processing with the aid of power	₹ 20,000
Income from house property	₹ 40,000
Income from collective disposal of labour of its members	₹ 30,000
Dividends from another co-operative society	₹ 60,000
Income from other business	₹ 20,000
Interest society another co-operative (gross)	₹ 60,000

(4 × 3 = 12 Weightage)

Part C

Answer any *two* questions. Each question carries 5 weightage.

15. Explain the significance of classification of companies under the Income Tax Act -1961, and their impact on the tax liability.
16. Explain the tax planning with respect to amalgamation and demerger.
17. The net profit of a P & Q partnership firm for the previous year 2021-22 is ₹ 1,04,000 after providing interest and salary to partners. The firm has two working partners sharing profits and losses equally as per partnership deed. Both partners draw a remuneration of ₹ 2,16,000 each. In respect of their total capital contribution of ₹ 10,00,000 the partners get interest @ 15% p.a. there on amounting to ₹ 1,50,000 in total. Compute the total income of each partner and calculate tax.
18. The following particulars of income is given by a P Ltd. (domestic company in which public are substantially interested) for the previous year 2021-22.
 1. Profit of business after deduction of donation given to an approved charitable; institution ₹ 2,00,000
 2. Book profit as per section 115- JB ₹ 6,00,000
 3. Dividend from a domestic company (gross) ₹ 25,000
 4. Interest on government securities ₹ 12,000

5. Donation paid by cheque to a charitable institution ₹ 30,000

6. Long term capital gain ₹ 6,00,000

The company deposited an amount of ₹ 12,000 in industrial development bank of India during 2021-22. The company distributed gross dividend of ₹ 90,000 on 1-12-2021. You are required to compute taxable income of the company and the amount of tax to be paid by it for the assessment year 2022-23.

(2 × 5 = 10 Weightage)
