

Part D (Essay Questions)

Answer any *two* questions. Each question carries 15 marks.

29. Akash Electronics Ltd is a domestic company in which public are substantially interested, submits the following particulars of its income of the PY 19-20:

(a) Profits of business after deduction of donations to approved charitable institution	–	₹ 200000
(b) Interest on Govt. securities	–	₹ 7000
(c) Long term capital gains	–	₹ 53000
(d) Donations to charitable institution	–	₹ 25000
(e) Dividend from domestic company (gross)	–	₹ 50000
(f) Book Profits u/s 115JB	–	₹ 795000

During the FY 19-20 the company deposited Rs.12000 in Industrial Development Bank of India. The company distributed a gross dividend of ₹ 100000 on 15.12.19. Compute the taxable income of the company and tax payable by it for the AY 2020-21.

30. X, Y and Z are owners of a firm. They share profits or losses in the ration of 5:3:2. The following particulars of the firm for the year ended 31.3.2020 are furnished:

- The net profit as per P&L A/c was ₹ 50000
- Salary of ₹ 13000 paid to Y and commission on sales of ₹ 5000 paid to Z were debited to the accounts.
- Depreciation debited to the accounts amounted to ₹ 12000 but the admissible amount as per rules is ₹ 16000.
- Interest on capital Rs.5000, ₹ 4000, Rs.3000 paid to X, Y and Z respectively and interest of ₹ 8000 paid to A on his loan was charged to the accounts. The rate of interest in both the cases is 20%.
- A long term loan of ₹ 8000 was taken during the year and expenses incurred for obtaining the loan amounted to ₹ 800. This sum was debited to the accounts. Interest on loan ₹ 600 is still outstanding and not considered in the books.
- The closing stock and opening stock of ₹ 750000 and ₹ 850000 respectively both had been valued at 10% under cost, though the market price in each case was higher than the actual cost.

Compute the taxable income of the firm for the AY 2020-21. The firm fulfills the conditions of Section 184.

31. Explain in brief the provisions relating to TDS, advance payment of tax, appeals and revision.

(2 × 15 = 30 Marks)

19U415

(Pages: 4)

Name:

Reg. No.....

FOURTH SEMESTER B.Com. PROFESSIONAL. DEGREE EXAMINATION, APRIL 2021

(CUCBCSS-UG)

CC17U BCP4 B15 - BUSINESS AND CORPORATE TAXATION

(Core Course)

(2017 Admission onwards)

Time: Three Hours

Maximum: 80 Marks

Part A

I. Choose the correct answer:

- As per which section TDS on salary is deducted?
a. 192 b. 194 c. 195 d. 196
- What is the tax rate applicable for ABC Ltd (a foreign company) if the gross receipt in the FY 2019-2020 is ₹ 50 Cr?
a. 5% b. 30% c. 40% d. None of the above
- The basic exemption limit applicable for Mr. X (a non-resident aged 82 years):
a. ₹ 250000 b. ₹ 300000 c. ₹ 500000 d. None of the above
- ITR 4 is also called:
a. Saral b. Sahaj c. Sugam d. None of the above
- Deduction for other business in the case of consumer co-operative society, under section 80P is:
a. ₹ 25000 b. ₹ 50000 c. ₹ 75000 d. ₹ 100000

II. Fill in the blanks:

- The expand for CBDT _____
- Deduction under Chapter VI A in respect of disabled dependent is under section _____
- _____ controls the Income Tax Department.
- If AOP is taxed at _____ Rate, the share of a member shall not be included in his total income at all.
- As per _____ School, the son acquires an interest in his father's ancestral property by mere birth and has a right to demand partition.

(10 × 1 = 10 Marks)

(1)

Turn Over

Part B

Answer any *eight* questions. Each question carries 2 marks.

11. How to determine the residential status of HUF?
12. List out any 4 deductions under section 80C.
13. List out any 2 rights or duties of an assessing officer.
14. What is MAT?
15. If book profit of a firm (satisfies condition under section 184) is ` 500000 what is the maximum remuneration allowable?
16. What is meant by anonymous donation?
17. Which are the due dates for payment of advance tax?
18. What is tax planning?
19. What is meant by Maximum Marginal Rate?
20. What is defective return of income?

(8 × 2 = 16 Marks)

Part C (Short Essay Questions)

Answer any *six* questions. Each question carries 4 marks.

21. Explain different types of assessment.
22. From the following information for the PY 2019-20 compute the total income of a Rural Co-operative Society and its gross tax liability:

Interest on Securities (gross)	4000
Income from House Property (computed)	4000
Long term capital gains	800
Income from Lottery	1900
Cycle business	6000
Dividend from another Co-operative Society (gross)	2000

23. From the following information compute total income and net tax payable by Mr. X for the AY 2020-21:

1. Business income from sale of securities before deducting STT	–	` 335000
2. Interest on fixed deposits	–	` 26000
3. Lottery winnings	–	` 16000
4. Long term capital gains	–	` 23000
5. Security transaction tax paid	–	` 6000
6. Deposited in PPF	–	` 14000

(2)

24. A & B are two partners of P&Q co. (a partnership firm). The firm does not satisfy the conditions of Sec.184. Profit & Loss Account of the firm for the year ended March 31, 2020 is as follows:

PARTICULARS	AMOUNT	PARTICULARS	AMOUNT
Cost of goods sold	116000	Sales	420000
Interest on capital to partners:			
A	7000		
B	15000		
Salary to Partners:			
A	42000		
B	22000		
Other expenses	40000		
Net profit	178000		
Total	420000	Total	420000

Other information:

- (a) The firm gave a donation of ` 24000 by cheque to an approved charitable institution (not debited to Profit & Loss Account).
- (b) Out of other expenses, ` 12000 is not deductible by virtue of section 43B.

Find out the tax liability of the firm if the profit sharing ratio of the partners A & B is 2:3.

25. From the following information compute net tax payable by an AOP for the AY 20-21, if A, a member is liable to pay tax on his other income:

(a) LTCG (computed)	` 50000
(b) Winnings from crossword puzzles (gross)	` 100000
(c) Income from House Property	` 60000

26. What are the incomes which are not treated as family income?
27. Explain the assessment of AOP/BOI and taxability of share of income received by the members.
28. From the following information compute tax payable by B Ltd for the AY 2020- 21:

a. Total income of the company for the PY 2019-20	1200000
b. Book profit u/s 115JB of the company for the PY	1600000
c. Carried forward credit u/s 115JAA from the AY 2019-20	300000

(6 × 4 = 24 Marks)

(3)