## 6. V. M. 70 SHRI G. G. POY RAITURCAL COLLEGE OF COMMERCE & ECONOMICS LIBRARY

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## M.Com. (Semester - II) Examination, November 2016 COC205: CORPORATE TAX PLANNING AND MANAGEMENT (OA - 18)

Max. Marks: 60 Duration: 3 Hours

- Instructions: 1) This Paper consists of nine questions carrying equal marks.
  - 2) Question No. 1 consists of 5 compulsory questions of 2 marks
  - 3) Answer any 5 questions from question 2, 3, 4, 5, 6, 7, 8 and 9.
  - 4) Each question carries 10 marks. Figures to the right indicate marks.
- 1. Answer the following questions in brief:

 $(5 \times 2 = 10)$ 

- a) List out any 4 tax free perquisites.
- b) List out any 8 incomes which are exempt from tax.
- c) What is a Belated and Revised Return?
- d) Determine the Gross Annual Value of the house property based on the following information:

Municipal Value - Rs. 90,000, Fair Rent - Rs. 1,40,000, Standard Rent -Rs. 1,20,000

The house property has been let out for Rs. 12,000 per month and was vacant for 1 month during the previous year 2014-15.

e) Compute the gross total income of Ms. Sudha (Resident and Ordinarily Resident) for the A. Yr. 2015-16.

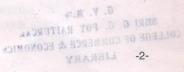
Interest received on German Development bonds in India Rs. 5,000

Dividend received from Finolax Ltd. (Indian Company) Rs. 2,000

Rs. 1,00,000 Income from Local Business in India

Income from house property situated in Korea

Rs. 1,05,000 (Rent Received in Korea)





	= 1 the provisions with ro	spect to the foll	owing deductions	s:		
	<ul><li>2. Explain the provisions with respect to the following deductions:</li><li>a) Deduction u/s 80D in respect of Medical Insurance Premia.</li></ul>					
	b) Deduction u/s 80DDB in respect of Medical Treatment.					
3.	What are the tax planning aspects to be considered in respect of setting up of the new industrial undertaking?				10	
4.	a) Explain the provisions of Section 139A in respect of Permanent Account Number (PAN).				5	
	b) Highlight on the provisions of exemption of Capital Gain on the transfer of a residential house.				5	
5.	5. Explain the types of provident funds and highlight on the tax treatment for the same.					
6.	6. Mr. Rahul owns 3 houses situated in Goa. The following information on the houses is available:					
	1100000 10 011 011					
	Particulars	House I (Rs.)	House II (Rs.)	House III (Rs.)		
. 9		1,00,000	House II (Rs.)	House III (Rs.) 2,00,000		
. 9	Particulars	SEP NO BUILDE IN				
9	Particulars  Municipal Value	1,00,000	1,50,000	2,00,000		
9	Particulars  Municipal Value  Fair Rent	1,00,000	1,50,000	2,00,000		
9	Particulars  Municipal Value  Fair Rent  Standard Rent	1,00,000 1,40,000 1,20,000	1,50,000 1,80,000 2,00,000	2,00,000 2,40,000 Nil		
8 V	Particulars  Municipal Value  Fair Rent  Standard Rent  Actual Rent (Per month)  Period of Vacancy  Municipal taxes for the year	1,00,000 1,40,000 1,20,000 12,000 Nil	1,50,000 1,80,000 2,00,000 17,500 1 Month	2,00,000 2,40,000 Nil 21,000		
9 e	Particulars  Municipal Value  Fair Rent  Standard Rent  Actual Rent (Per month)  Period of Vacancy	1,00,000 1,40,000 1,20,000 12,000 Nil 20% of Munic	1,50,000 1,80,000 2,00,000 17,500 1 Month	2,00,000 2,40,000 Nil 21,000 6 Months		

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7. Mr. Harsh acquired land in 1977-78 for Rs. 2,00,000 and gifted it to his major son Abhijit on 1<sup>st</sup> June 1980, when the market value of the land was Rs. 2,50,000. The fair market value of that land as on 1<sup>st</sup> April 1981 was Rs. 3,00,000. Abhijit sold the land on 15<sup>th</sup> September 2014 for Rs. 90,00,000. Compute the capital gain for A. Yr. 2015-16, assuming that the expenses on transfer were Rs. 70,000. What would be the capital gain if the land was gifted by Mr. Harsh to his son Abhijit on 15<sup>th</sup> May 1994?

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Year	Cost Inflation Index
1981 – 82	100
1982-83	109
1993-94	244
1994 – 95	259
2012-13	852
2013-14	939
2014-15	1024

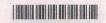
8. Datta, a resident individual, submits the following information relevant for the previous year ending 31<sup>st</sup> March 2015:

	Rs.
Profits of business A carried on in India	90,000
Loss of business B carried on in India	-30,000
Profits of business C carried on in London (income is received in London and business is controlled from London)	52,000
Loss of business D carried on in London (though profits are not received in India,	
business is controlled from Delhi)	-46,000
Unabsorbed depreciation of business D	63,000

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Income from property situated in India	22,000
Income from property situated in London	
(received in London)	1,92,000

Determine the net income of Datta for the assessment year 2015-16 on the assumption that he is (a) Resident and Ordinarily Resident in India (b) Resident but not Ordinarily in India, (c) Non-Resident in India.

9. The depreciated value of a block of assets (consisting of Plant A and Plant B) is Rs. 5,30,000 on 1<sup>st</sup> April 2014. (Plant A – Rs. 5,00,000 and Plant B – Rs. 30,000). Depreciation rate is 20%. The following information is available:

Asset	Rate of	<b>Date of Purchase</b>	When it is put	<b>Actual Cost</b>
	Depreciation		to use	1993 9
Plant C	20	15 <sup>th</sup> March 2014	10 <sup>th</sup> April 2014	50,000
Plant D	20	10 <sup>th</sup> May 2014	3 <sup>rd</sup> December 2014	70,000
Plant E	20	6 <sup>th</sup> June 2014	6 <sup>th</sup> June 2014	90,000
Plant F	20	1st April 2015	31st May 2015	1,10,000

Plant A is sold on 16<sup>th</sup> August 2014 for Rs. 2,00,000. Compute the depreciable value of the block as on 1<sup>st</sup> April 2015.

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