PG Even Semester Exam, 2024

Commerce

4th Semester

COURSE NO. COM – 653 AC

[Corporate Tax Planning & Management]

Full Marks : 70
Pass Marks : 28

Time : 3 hours

The figures in the margin indicate full marks for the questions

Answer five questions, taking one from each Unit

UNIT-I

1. Define tax planning. "Tax planning is legal and moral way of tax saving" Discuss the statement and describe its importance. 4+10=14

2. Explain the concept of short term and long term capital gains. Discuss the provisions regarding carry forward and setoff of losses under Income Tax Act. 4+10=14

UNIT-II

3. Define GST. What are its benefits? Explain in detail the challenges for implementing GST system. 4+3+7=14

4. Explain the various types of GST. Write notes on inward supply, outward supply and input tax credit. 5+9=14

UNIT-III

5. a. Describe the provisions of Income Tax Act with respect to lease or buy decision of an asset. 7

   b. X Ltd is a widely held company. It is considering a major expansion of its production facilities and the following alternatives are available:

	Alternatives		
	I	II	III
	(₹)	(₹)	(₹)
Share capital	50,00,000	20,00,000	10,00,000
Debentures (14%)	-	20,00,000	15,00,000
Loan from Bank (18%)	-	10,00,000	25,00,000

   Expected rate of return (before tax) is 25%. The rate of dividend of the company since 2022 is not less than 20% and the date of dividend declaration is June 230 every year. Evaluate the alternatives and suggest the best alternative. 7

6. Describe elaborately the provisions of Income Tax Act in respect to dividend policy. 14

UNIT-IV

7. Write the tax planning provisions in relation to :
   a. Repair and replacement.
   b. Purchase by installment and hire. 7+7=14

8. What is demerger as per Income Tax Act? Discuss the tax considerations in respect of demerger of companies. 2+12=14

UNIT-V

9. Write a detailed note on provisions of penalty and prosecution under the Income Tax Act, 1961. 14

10. Write notes on any two of the following: 7x2=14
    a. Tax deducted at source
    b. Appeals and Revisions
    c. Advance Payment of Tax

★★★