

**M.B.A. (GEN.) / M.B.A. (HR) / M.B.A. (IT) / SEMESTER - III  
(2012 COURSE)(CHOICE BASED CREDIT SYSTEM) / M.B.A.  
(FM) SEMESTER - III (2013 (CHOICE BASED CREDIT SYSTEM)  
: SUMMER - 2018  
SUBJECT : ELECTIVE – IV : CORPORATE TAXATION (FM)**

Day : **Wednesday**  
Date : **23/05/2018**

**S-2018-1884**

Time : **10.00 AM TO 01.00 PM**  
Max. Marks : 100

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**N.B.**

- 1) Attempt **ANY FOUR** questions from Section – I and **ANY TWO** questions from Section – II.
- 2) Answers to both the sections should be written in **SEPARATE** answer book.
- 3) Figures to the right indicate **FULL** marks.

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**SECTION – I**

- Q.1** Explain the following concepts under Income Tax Act, 1961: [15]  
a) Income      b) Deemed Income      c) Gross Total Income
- Q.2** How the calculation of Income is done under the head “Income from Business and Profession”? [15]
- Q.3** Explain various tax considerations for making managerial decisions on “dividend” and “Managerial Remuneration”. [15]
- Q.4** Explain in detail various provisions of set off and carry forward of losses under Income Tax Act, 1961. [15]
- Q.5** Write short notes on **ANY TWO** of the following: [15]  
a) Double taxation avoidance agreement  
b) Association of persons  
c) Minimum alternate tax

**SECTION – II**

- Q.6** Explain the concept of tax planning. How it differs from tax avoidance and tax evasion. [20]
- Q.7** What do you mean by Residential status? Explain the scope of total income on the basis of residential status of companies under Income Tax Act, 1961. [20]

**P.T.O.**

**Q.8** The Profit and Loss Account of ABC Ltd., for the year ended 31<sup>st</sup> March, 2018 [20] showed a Net Profit of Rs. 8,50,000.

- a) The Profit and Loss Account included in the debit side the following:
- i) Rs. 20,000 interest paid on money borrowed for extending the company's factory premises, the expansion was however still in progress.
  - ii) The depreciation provided in the books Rs. 50,000; however the amount computed under the Income Tax Act Rs. 80,000.
  - iii) Rs. 20,000 was paid to the Company's lawyer for arguing appeals of the company before the Tribunal.
  - iv) Rs. 4,000 paid for late payment of Professional Tax as penal interest.
  - v) Rs. 800 being fine imposed by the Municipality for violating their regulations.
  - vi) Reserve for bad debts Rs. 18,000.
- b) The Credit Side of the Profit and Loss Account included:
- i) Company's Foreign Subsidiary in Japan Rs. 20,000.
  - ii) Unit Trust of India Rs. 20,000.

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