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63/1 (SEM-6) DSE3/
COMHE6116/COMRE6036

2024

COMMERCE

Paper : COMHE6036/COMRE6036

Group - A

(Corporate Tax Planning)

Full Marks : 80

Pass Marks : 32

Time : Three hours

**The figures in the margin indicate
full marks for the questions.**

1. Choose the correct answer from the following : **(any six)** 1×6=6

(a) Availing tax holiday by a new industrial undertaking in backward areas is a case of

- (i) tax evasion
- (ii) tax planning
- (iii) tax avoidance
- (iv) tax management

Contd.

- (b) Return of income must be furnished on or before the due date as a part of
- (i) tax avoidance
 - (ii) tax management
 - (iii) tax evasion
 - (iv) tax planning
- (c) Section 2(9) of the Income Tax Act deals with
- (i) person
 - (ii) assessee
 - (iii) previous year
 - (iv) assessment year
- (d) A company in which the public is not substantially interested is known as
- (i) domestic company
 - (ii) foreign company
 - (iii) widely held company
 - (iv) closely held company
- (e) Educational cess is levied in case of
- (i) individual
 - (ii) Hindu undivided family (HUF)
 - (iii) company
 - (iv) All Assesses

- (f) Minimum Alternative Tax (MAT) provisions are applicable to
- (i) non-domestic companies
 - (ii) Indian companies
 - (iii) private companies
 - (iv) every company
- (g) Under the Income Tax Act, 1961, depreciation on machinery is charged on
- (i) purchase price of the machinery
 - (ii) written down value of the machinery
 - (iii) market price of the machinery
 - (iv) straightline value of machinery
- (h) Tax deduction at source is
- (i) treated as receipt
 - (ii) treated as an expense
 - (iii) treated as a fine
 - (iv) Neither treated as a receipt nor expense

(i) An assessee incurred expense of tax on non-monetary perquisites of employees, such expenditure shall be considered as

(i) revenue expenditure

(ii) deferred revenue expenditure

(iii) capital expenditure

(iv) expressly disallowed

(j) Indexation is applicable to

(i) sale of short-term capital assets

(ii) sale of long-term debentures

(iii) sale of depreciable capital assets

(iv) sale of long-term capital assets which are not depreciable assets

2. Answer the following questions : **(any five)**
2×5=10

(a) What is tax planning?

(b) What is corporate tax?

(c) What is tax management?

(d) What is tax evasion?

(e) What do you mean tax liability?

(f) Explain the meaning double taxation relief.

(g) Explain the term 'subsidiary companies'.

3. Answer the following questions : **(any six)**
5×6=30

(a) Explain the procedures relating to transfer of assets between holding companies and subsidiary companies.

(b) Explain how an unlisted public company can be converted into limited liability partnership (LLP).

(c) Write in detail about slump sale.

(d) What is the difference between double taxation relief and double taxation avoidance?

(e) Write a note on 'advance pricing agreement'.

(f) Write a note on 'demerger'.

(g) Write a note on corporate tax planning in India.

(h) What are the factors to be considered while making a lease or buy decision? When should a leasing be preferred over purchase?

- (i) Discuss the important points which should be considered at the time of establishment of a new business regarding the place from tax planning point of view.
- (j) Explain the provisions for payment of tax by companies u/s 115JB.

4. Answer the following questions : **(any two)**
10×2=20

- (a) What do you mean by residential status of companies and tax incidence? Write the relevant provisions of residential status relating to corporate tax planning.
- (b) Discuss the expenses incurred as remuneration of staff for tax planning in respect of managerial remuneration.
- (c) Explain the precautions in tax planning. Also write the importance of tax planning.
- (d) Write a detailed note on tax planning with reference to specific management decisions.

5. Answer the following questions : **(any one)**
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- (a) Discuss the main points of tax planning in respect of employee's remuneration from the employer's and employee's point of view.
- (b) Write an essay on 'tax planning and financial management decisions.'
- (c) Write a note about the form of business organisation with specific example. Discuss the comparative study of partnership firm and company in relation to tax liability in planning of tax.