SS-FSDS TOAT



III Semester M.Com. Degree Examination, May/June 2023 Vent 2022-23. (CBCS Scheme)

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AT: 3.5 - Corporate Tax Planning

Time: 3 Hours

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Assessment Year 2021-22

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Generalist of a Bomestic ConAtt MOITOBS existing capital is Rs. 1 Grorp

1. Answer any seven questions out of ten. Each question carries two marks. (7×2=14) either by issue of Equity shares of by issue of 10%. Dehentures, Thuy dend

all in equity shares proposes to expand its business for which an adortional

- Seven of Assume of Equity Shares or by Issum of 10th ? never a state of the seven is a table of the seven in the seven in
- in favour of equity shares. b) How do you arrive at Adjusted Gross Total Income?
- c) What is canon of equity?
- Sida not ille any return of Income for the passionant_year 2 d) What is Annual Finance Act?
- siter siving him show cause notice to which R did not e) Define Tax holiday. AASS never in bout degrees as with the control of the cont
- f) What is tax evasion? he saw Heleni pributer) 002.24 e3 to Equation in the companies of t
- g) Define tax planning.
- h) What is transfer pricing? Andres any fire autobions a training that the second of the parties of the second of t
- i) What are lease decisions? a Discuss the Provisions of Set offend Carry Forward of losses, u
- j) State the provision of deductions u/s 80 GGA.

What is Direct Tax Code, and hra—'NOITO32'nt on valous sectors in 'nri

SECTION - 0

Answer any four questions out of six. Each question carries five marks.

- 2. Write a note on Settlement of Pending Litigations.
- 4. Advance payment of tax plays a crucial role in corporate tax planning. Discuss. Year 1 = 0.893, Year 2 = 0.797; Year 3 = 0.712; Year 4 = 0.636. Year 5 = 0.557

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Cost of rephal: 12%



5. From the following information, compute tax payable by Z Ltd. for the Assessment Year 2022-23.

1) Tatal Income of the co	many for the Provious	
1) Total Income of the company for the Previous		D= 0.00 000
Year 2021-22	30104400	Rs. 6,00,000
2) Book profit u/s 115 JB of the company for the Previous Year 2021-22		Rs. 8,00,000
3) Carried forward credit Assessment Year 202		Rs. 1,50,000

6. The directors of a Domestic Company, whose existing capital is Rs. 1 Crore all in equity shares proposes to expand its business for which an additional investment of Rs. 40 lakh would be needed. The entire money can be raised either by issue of Equity shares or by issue of 10% Debentures. They decide in favour of issue of Equity Shares or by issue of 10% Debentures. They decide in favour of equity shares.

As a Tax Consultant, do you approve the proposal? Assume that rate of return is 20% and rate of income tax is 24% including cess.

7. R did not file any return of income for the assessment year 2021-22. The Assessing Officer assessed his income at Rs. 5,40,000 under Section 144 after giving him show cause notice to which R did not respond. Besides the tax, the interest was charged under Section 234A, 234B and 234C. The notice of demand of Rs. 46,500 (including interest was sent to R on 5-3-2022 which was received by him on 7-3-2021). Advise R, the procedure of filing an appeal?

SECTION - C

Answer any two questions out of four. Each question carries twelve marks. (2×12=24)

- 8. Discuss the Provisions of Set-off and Carry Forward of losses, under Income Tax Act.
- 9. What is Direct Tax Code, and how does it impact on various sectors in India?
- 10. Decide which one is a better alternative lease or buy in the following situations :

Tax rate: 28%

Cost of capital: 12%

Depreciation rate (income tax): 25%

Lease rent: Rs. 34,000 per annum for 5 years (per Rs. 1 lakh)

Present value of Re: 1 discounted @ 12% is as follows; to premise some ba

Year 1 = 0.893; Year 2 = 0.797; Year 3 = 0.712; Year 4 = 0.636; Year 5 = 0.567.

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Make any other suitable assumption, if necessary.



11. The accounts of a public company have been prepared in accordance with provisions of the Companies Act and its Statement of Profit and Loss laid before the Annual General Meeting for the previous year ending 31st March, 2021 show a net profit of Rs. 15 lakh. The following information relevant for the purpose of computing its assessable income has been extracted from a scrutiny of Statement of Profit and Loss:

Items added in the statement of profit and loss:

1) Profit from a new industrial undertaking qualifying for	read out to a second
deduction under Section 80IA (Net)	Rs. 17,00,000
2) Long term capital gains	Rs. 3,00,000
Items deducted in the statement of profit and loss:	Carte Sandre, Kali Gulde Canado Ale
1) Depreciation relating to 2019-20 brought forward	Rs. 10,00,000
2) Business loss relating to 2019-20 brought forward	Rs. 12,00,000
3) Current year's depreciation	Rs. 10,00,000
4) Penalty for infraction of law	Rs. 1,00,000
5) Provision of GST	Rs. 3,00,000
6) Dividend proposed	Rs. 2,00,000

Depreciation admissible under the Income Tax Act and Rules for the previous year is Rs. 19,50,000. The capital gains have been invested in specified assets under *Section 54EC*. GST provided in the accounts has been remitted before the due date. There is no loss or unabsorbed depreciation to be carried forward and adjusted as per income tax assessment.

You are required to compute the total tax liability of the company for the Assessment Year 2021-22.



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provisions of the Companies Act and its Statement of Profit and Loss faid

- (21=121) before the Assural Courts Machingary the profits is a vact and as 12. ABC Inc. is a large multinational corporation that operates in several countries around the world. In the year 2022, ABC Inc. reported total revenue of ₹10 billion... and a net income of ₹1 billion. The company has been accused of engaging in aggressive tax planning strategies that may constitute tax evasion. The company's tax department argues that these strategies are legal and comply with all relevant tax laws and regulations.
 - a) Define Tax Avoidance, Tax Evasion and Tax Management.
 - b) Evaluate the arguments made by the company's tax department and explain whether their tax planning strategies are likely to be considered tax avoidance, tax evasion, or tax management.
 - c) Discuss the potential consequences for ABC Inc. if it is found to have 1) มีคลิเหมณีใช้กาศได้และ (ก. 2015 ค.ศ. - ก.เมา) ค engaged in tax evasion.
 - d) Provide recommendations on how ABC Inc. can ensure that it complies with all relevant tax laws and regulations while minimizing its tax liability. 3) Chroni veara depropulia

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