

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086.
(For candidates admitted during the academic year 2019-20 and thereafter)

COURSE CODE: 19CM/PC/CT34

M.COM DEGREE EXAMINATION DECEMBER 2020

COMMERCE

THIRD SEMESTER

COURSE : MAJOR – CORE

PAPER : CORPORATE TAXATION

TIME : 90 MINUTES

MAX. MARKS: 50

Section - A

Answer any three questions:

(3 x 10 = 30)

1. What do you mean by Corporate Tax Planning? What are its needs and significance?
2. Discuss the provisions relating to Registration under GST Act
3. The net profit of Zion Ltd., an Indian company, prepared as per the Income-tax Act, 1961 is Rs. 90,00,000 after debiting and crediting following items:

	Rs.
Provision for income-tax	5,00,000
Provisions for deferred tax	3,00,000
Proposed dividend	7,50,000
Depreciation debited to profit and loss account	60,00,000
Profit from industrial unit in SEZ are	80,000
Provision for permanent diminution in the value of Investments	70,000

Compute tax liability under section 115JB for the assessment year 2020- 21

4. Dev Care Ltd, an Indian company, furnished the following particulars of its income for the previous year ended 31st March, 2020. Compute its total income for the assessment year 2020-21

	Rs.
• Business income	4,20,000
• Dividends from : Domestic Company (Gross)	20,000
A foreign company	15,000
• Capital Gains : Short-term	25,000
Long-term	70,000

Additional Information:

- a) General expenses charged from the Business income included Rs. 5,000 as revenue expenditure and Rs. 20,000 as capital expenditure for family planning program amongst employees.
- b) The following payments made by the Company were debited to P. & L. A/c.
 - Donation to Delhi University of Rs. 30,000 paid by cheque;
 - PM relief fund Rs. 70,000 by cheque
 - Rajiv Gandhi Foundation Rs. 5,000 in cash

Section – B**Answer any One Question****(1 x 20 = 20)**

5. The books of a manufacturing concern discloses the following information

Particulars	Rs	Particulars	Rs
To Purchases	329900		
To Audit Fees	5980	By Sales	870000
To Selling Expenses	10780	Mis Income	10,000
To Rent and Taxes	430		
To Repairs to Machinery	9070		
To Salaries and Wages	95500		
To Depreciation	55,000		
To Provision for Income tax	12,000		
To Provision for contingent liabilities	15,000		
To Provision for Doubtful debts	26,000		
To Proposed dividend	14,500		
Net Profit	3,05,840		
	8,80,000		8,80,000

Additional Information

1. Provision for doubtful debts includes Bad debt of Rs. 20,000
2. Miscellaneous incomes includes refund of advance income tax Rs. 400
3. Allowable Depreciation Rs. 36,000
4. Provision for income tax includes advance income tax for the A.Y 20-21 is Rs. 25,000
5. B/F losses and unabsorbed depreciation

	As per books	As per Income
B/F business loss	1,00,000	70,000
Unabsorbed depreciation	32,500	1,00,000

Calculate

- a. Total Income as per Normal Provisions
- b. Book profits under MAT
- c. Final Tax liability
- d. Tax credit under Sec 115JAA

6. Discuss the Powers and Duties of Income tax Authorities.
