

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

M.Com. DEGREE EXAMINATION NOVEMBER 2023
COMMERCE
THIRD SEMESTER

COURSE : CORE
PAPER : CORPORATE TAXATION
SUBJECT CODE : 19CM/PC/CT34
TIME : 3 HOURS **MAX. MARKS: 100**

SECTION – A

ANSWER ANY SIX QUESTIONS: (6x10=60)

1. Compute the tax payable by the company for the Assessment year 2023-2024 if:
 - i. Its total income is Rs.4,00,000 and book profit is Rs.18,50,000.
 - ii. Its total income is Rs.6,20,000 and book profit is Rs.12,33,330Assume normal tax rate applicable to company 30%.

2. Prakash Traders limited is a company in which the public are substantially interested. It closes its account on 31st March every year. During the current year, it has derived the following income:
 - i. Profit from manufacturing unit at Lucknow Rs.3,20,000
 - ii. Profit from trading activities at Lucknow Rs.1,00,000
 - iii. Interest on Debentures issued by another company which is a domestic company producing cement Rs. 25,000 (Gross)
 - iv. Dividend from a foreign company Rs.10,000
 - v. Profit from an approved hotel started in February 2001 at Kanpur Rs.2,10,500. Capital employed being Rs.15,00,000 and normal depreciations Rs.60,000 has not been changed in the calculation of above profit.
 - vi. The company passed on a certain formula for manufacturing tiles to another company in Uganda and received Royalty therefrom Rs.2,10,000.
 - vii. Brought forward unabsorbed depreciation Rs.39,000
 - viii. Book profits as per section 115JB = Rs.25,00,000.You are required to calculate total income of the company

3. From the P&L A/c. Compute income from business for the assessment year 2023-24

Particulars	Rs.	Particulars	Rs.
To Rent & rates	45,000	By Gross profit	2,25,000
To Dep. On machinery	8,000	By Income from other sources	1,50,000
To Dep. On furniture	2,000	By Income from capital gain	1,00,000
To Purchase of motor car	50,000	By Miscellaneous income	1,25,000
To Car expenditure	3,000		
To Advertisement (cash)	25,000		
To Net profit	4,67,000		
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	6,00,000		6,00,000

Additional Information

- (a) Allow Rs.5,000 as depreciation on machinery
 - (b) 50% of motor car expenses relates to personal use
 - (c) Miscellaneous receipt is approved by I.T. authority as business income.
 - (d) Motor car has no depreciation.
4. Discuss the different types of companies.
 5. What is E- Filing? Discuss the Procedure for e-filing.
 6. Discuss the scope and objectives of tax planning.
 7. Explain the powers and duties of Settlement Commission.
 8. What is GST? Explain its advantages and disadvantages.

SECTION – B**ANSWER ANY TWO QUESTIONS:****(2x20=40)**

9. The statement of profit and loss of Sonia Co. Ltd. for the year ended 31.03.2023 showed a net profit of Rs.5,75,000. Calculate the tax liability as per Normal provisions of IT Act and as per MAT for the assessment year 2023-24

Items debited	Rs.	Items credited	Rs.
Purchases	2,25,000	Sales	14,00,000
General charges	40,000	Agriculture Income	55,000
Commission and brokerage	1,80,000	Transfer from investment Reserve	2,00,000
Income tax	1,15,000	L.T.C.G (Plot)	2,50,000
Legal Expenses	65,000		
Fines and penalties	25,000		
Depreciation	2,60,000		
Provision for contingent liability	70,000		
Proposed dividend	1,50,000		
Loss of subsidiary company	2,00,000		

Additional Information

1. General charges include donation to Prime Minister's Relief Fund of Rs.22,000
2. Depreciation as per Income tax Act Rs.3,00,000
3. Brought forward Business Losses and Depreciation

	As per A/cs	As per I.T. tax
B/P business Losses	3,00,000	4,00,000
Unabsorbed Depreciation	50,000	1,50,000

4. Investment reserve was created during previous year 2010 – 2011 as a result of profit on revolution of investment directly credited
5. The LTCG has been invested in NHAI Bonds as per Section 54EC.

10. The following is the Profit and Loss account of Mr. Kumar, for the year ended on 31-3-2023. Compute his total business income for the A.Y. 2023-2024.

Particulars	Rs.	Particulars	Rs.
To Opening Stock	15,000	By Sales	1,80,000
To Purchases	40,000	By Closing stock	20,000
To Wages	20,000	By Gifts from father	10,000
To Rent	46,000	By Income tax refund	3,000
To Repairs to Motor Car	3,000		
To Sales tax paid	2,000		
To Medical Expenses	3,000		
To General Expenses	10,000		
To Depreciation on Motor Car	4,000		
To Advance Income tax	1,000		
To Profit	69,000		
	2,13,000		2,13,000

Further information:

- i. Mr. Kumar carries on his business from rented building half of which is used as his residence.
 - ii. Motor car – 3/4th was used for the business and 1/4th for personal use.
 - iii. Medical Expenses were incurred during sickness of Mr. Kumar for his treatment.
 - iv. Wages include Rs.250 p.m. on account of Motor car driver for ten Months.
 - v. Sales tax includes Rs.200 for interest on late payment of sales tax.
11. Explain the various tax authorities along with their powers and duties.
12. Discuss the term customs duty. Explain its types.
