

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

B.Com. DEGREE EXAMINATION - APRIL 2024
ACCOUNTING & FINANCE
SIXTH SEMESTER

COURSE : MAJOR – CORE
PAPER : BUSINESS TAXATION
COURSE CODE : 19AF/MC/BT64
TIME : 3 HOURS

MAX. MARKS: 100

Section-A

Answer ALL questions:

(10x2=20)

1. What is Minimum Alternate Tax?
2. Write a note Dividend Policy.
3. Write a short note on Customs Duty Drawback.
4. List out the Types of GST.
5. Write a short note on Input Tax Credit.
6. What is meant by E-way Bill?
7. How do bonus shares help reduce the tax burden of a Business?
8. A consignment is imported by air. The CIF Price is 1,000 US\$. Freight is 320 US\$. Insurance cost 35 \$. The following dollar rates are available on the date of presentation of bill of entry.
(a) RBI Floor Rate = Rs. 31.37
(b) Inter Bank closing Rate = Rs. 31.38
(c) Rate notified by GOI u/s 14(3)(a) (r) of Customs Act: Rs. 31.55
Estimate the Assessable Value.
9. ABC Enterprises purchased raw materials worth ₹ 10,000 from a supplier. The applicable GST rate on raw materials is 18%. Calculate the input tax credit (ITC) that ABC Enterprises can claim.
10. The total income of XYZ Limited, a domestic company computed the normal provisions of Income Tax Act, is Rs. 5,00,000. However, the book profit of the company (calculated as per Section 115 JB) amounts to Rs. 14,50,000. Calculate the tax liability of the company for the relevant Assessment year. Estimate the amount of tax credit available to the company?

Section-B

Answer any FIVE questions:

(5x8=40)

11. Examine when does the liability to pay tax on services arise at the time of supply.
12. Write Short Notes on (a) Transaction Value in GST (b) Value of Supply in GST.
13. Classify the various types of Customs Duty.
14. Discuss the circumstances under which exemptions can be made from Customs Duty.

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15. Ashwani Private Limited company furnishes the following information:
- | | | |
|-----|--|--------------|
| (a) | Interest on Securities (Computed) | Rs. 1,00,000 |
| (b) | Income from House Property (computed) | Rs. 2,00,000 |
| (c) | Income from Business | |
| | (i) Textile Manufacturing: | |
| | Profit as per P & L A/c before depreciation – Rs. 4,00,000 | |
| | Depreciation - Rs. 1,90,000 | |
| | (ii) Hosiery Manufacturing: | |
| | Profit as per P & L A/c before depreciation – Rs. 1,50,000 | |
| | Depreciation – Rs. 36,000 | |
| | (iii) Agency business loss b /f from Previous year – Rs. 30,000 | |
| (d) | Income from other sources – Rs. 1,00,000 | |

Estimate the total income of Ashwani Private Limited for the relevant Assessment year.

16. A manufacturer has entered into a contract for the supply of a machine. Price of the machine Rs. 9,00,000, machine inspection charges Rs. 16,800, Packing charges Rs. 53,000, Transport cost Rs.21,000. Design and drawing charges included in the price of the machine Rs. 29,000. GST payable at 12%. Find the taxable value and the GST payable if the manufacturer used capital goods to manufacture the machine which includes GST of Rs. 30,000. Besides inputs used in manufacturing consists of GST paid Rs. 17,000 to suppliers.

17. An importer imported a machine from London. Determine the assessable value of the machine for Customs Duty.

Particulars	Amount (in pounds)
Cost of Machine	10,000
Packing charges	500
Transportation Charges by air	3000
Commission paid to broker of exporter who arranged the deal	100
Insurance premium	500
Rate of exchange 1 pound = Rs. 90	
Transportation charges from Airport to factory Rs. 10,000	

Section-C

Answer any TWO questions:

(2x20=40)

18. Given below is the Profit and Loss Account of the Western Mills Limited a domestic company in which the public are substantially interested, for the year ended 31st March:

	Rs.		Rs.
To Opening Stock	17,82,105	By Sales	61,90,327
To Cotton Consumed	25,83,685	By Rent of Staff Quarters	25,362
To Manufacturing Expenses	9,45,395	By Closing Stock	13,59,480
To Wages & Salaries	8,65,972		
To Marketing	61,215		
To Insurance	27,156		
To Establishment	2,79,762		
To Welfare Expenses	17,825		
To Net Profit	10,12,054		
	75,75,169		75,75,169
To Director's Fees	2,500	By balance b/d	10,12,054
To Audit Fees	2,500	By Transfer fees	1,500
To Law Charges	3,250		
To Interest	1,05,250		
To Repairs to Building	14,640		
To General Charges	25,875		
To Managing Agent's Remuneration	60,420		
To Donations	10,000		
To Contributions to Staff Provident Fund	20,000		
To Debenture Sinking fund	25,000		
To General Reserve	1,00,000		
To Taxation Reserve	3,00,000		
To Balance	3,44,119		
	10,13,554		10,13,554

You are required to compute the company's taxable income from business for the relevant Assessment year after taking into account the following information:

- (i) Welfare expenses include Rs. 825 the cost of pucca well built for the use of company's workers.
- (ii) Insurance Rs. 1,000, repairs Rs. 3,750 and Municipal taxes Rs. 2,150 included in general charges were in respect of staff quarters.
- (iii) Law charges amounting to Rs. 1,500 were incurred in connection with additional land purchased during the year
- (iv) The staff provident fund is recognised
- (v) The amount of depreciation allowance is Rs. 2,64,325
- (vi) The company has paid advance tax of Rs. 1,70,000
- (vii) Donations are given to approved charitable institutions.

19. Describe the different types of GST and the advantages of GST.
20. Discuss the importance of Time and Valuation of Taxable Supply.
21. Explain the provisions of the Customs Act, 1962 for Valuation of Goods for the purpose of Assessment.
