

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 86
(For candidates admitted from the academic year 2023 – 2024 and thereafter)

M.COM DEGREE EXAMINATION, APRIL 2026
COMMERCE
SECOND SEMESTER

COURSE : CORE
PAPER : CORPORATE TAXATION
SUBJECT CODE : 23CM/PC/CT24
TIME : 3 HOURS

MAX. MARKS: 100

SECTION A															
Q. No.	Answer the following.	(4 x 5 = 20)	CO KL												
1	Explain the procedure for submission of income tax returns and assessment for companies.	1	K1												
2	Distinguish between intra-head set off and inter-head set off of losses.	2	K2												
3	Explain the cancellation and revocation of GST registration.	1	K1												
4	What are the conditions for claiming duty drawback?	2	K2												
SECTION B															
Q. No.	Answer the following.	(4 x 10 = 40)	CO KL												
5	A) How to ascertain the residential status of a company? (OR) B) The total income of Sena Ltd. a domestic company, computed under IT Act 1961 is Rs. 12, 00, 000 which includes long term capital gain of Rs. 2, 00, 000. However the book profits of the company amounted to Rs. 25, 00, 000. Calculate the tax liability of the company for A.Y. 2025 – 2026 and tax credit.	3	K3												
6	A) Discuss the expenses expressly disallowed while computing income chargeable under income from business. (OR) B) Explain the structure and functions of the Goods and Services Tax Network in implementing GST in India.	3	K3												
7	A) a) A registered dealer supplies goods with the following details: Basic Price = ₹1,50,000 Packing Charges = ₹5,000 Transport Charges = ₹10,000 Discount given = ₹5,000 GST Rate = 18%. Calculate the Taxable Value and GST Payable. b) Compute the income after set-off and the loss to be carried forward of ABC Ltd. <table style="margin-left: auto; margin-right: auto; border: none;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: right;">Amount (₹)</th> </tr> </thead> <tbody> <tr> <td>Business Loss</td> <td style="text-align: right;">(1,20,000)</td> </tr> <tr> <td>Income from Salary</td> <td style="text-align: right;">3,00,000</td> </tr> <tr> <td>Income from House Property</td> <td style="text-align: right;">50,000</td> </tr> <tr> <td>Long-term Capital Loss</td> <td style="text-align: right;">(70,000)</td> </tr> <tr> <td>Short-term Capital Gain</td> <td style="text-align: right;">40,000</td> </tr> </tbody> </table> (OR)	Particulars	Amount (₹)	Business Loss	(1,20,000)	Income from Salary	3,00,000	Income from House Property	50,000	Long-term Capital Loss	(70,000)	Short-term Capital Gain	40,000	4	K4
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	<p>B) X Ltd of Hyderabad owns the following properties in Telangana. Find out GST Liability for the year ending March 31, 2025. All figures are exclusive of GST, if any, GST note is 18%. Commercial property given on rent to a recognised college affiliated to Osmania University (municipal tax paid by X Ltd.: Rs. 75,000) Rs.30,75,000. A vacant plot of land given on rent for animal husbandry (municipal tax paid by X Ltd: Rs. 10,000) Rs. 2, 00,000.</p> <p>Residential building given on rent to a departmental store for placing vending machines (municipal tax paid by X Ltd: Rs. 30,000) Rs. 3, 30,000. Terrace of a residential building given on rent to Airtel for erecting communication tower (municipal tax of terrace paid by X Ltd: Rs. 10,000) Rs. 6,10,000 Renting of a building for organizing entertainment events for temporary basis (municipal tax is zero) Rs. 50,000 Renting of a theatre (rent is not received, under profit sharing arrangement, share of profit of Rs. 7,25,000 is received from the other party, municipal tax paid by X Ltd. : Rs. 25,000) Rs.7,25,000</p>	4	K4																						
8	<p>A) Explain the levy and collection of Customs Duty under the Customs Act, 1962. Describe the procedure followed by customs authorities.</p> <p style="text-align: center;">(OR)</p> <p>B) Discuss the various exemptions available from Customs Duty. Explain the role of the Central Government in granting exemptions.</p>	4	K4																						
	SECTION C																								
Q. No.	Answer any two questions.	(2 x 20 = 40)	CO KL																						
9	<p>A company Ltd. furnishes the following information:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Interest on securities (computed)</td> <td style="text-align: right;">Rs. 15,000</td> </tr> <tr> <td>Income from house property computed</td> <td style="text-align: right;">Rs. 20,000</td> </tr> <tr> <td>Textile manufacturing</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">a) Profit before depreciation</td> <td style="text-align: right;">Rs. 2,00,000</td> </tr> <tr> <td style="padding-left: 20px;">b) Depreciation</td> <td style="text-align: right;">Rs. 95,000</td> </tr> <tr> <td>Cloth Business</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">a) Profit before depreciation</td> <td style="text-align: right;">Rs. 75,000</td> </tr> <tr> <td style="padding-left: 20px;">b) Depreciation</td> <td style="text-align: right;">Rs. 18,000</td> </tr> <tr> <td>Agency business loss b/f 2023-2024</td> <td style="text-align: right;">Rs. 15,000</td> </tr> <tr> <td>Income from other sources</td> <td style="text-align: right;">Rs. 25,000</td> </tr> <tr> <td>Book profits</td> <td style="text-align: right;">Rs. 7,00,000</td> </tr> </table> <p>Compute total income and tax liability under MAT for A.Y. 2025-2026.</p>	Interest on securities (computed)	Rs. 15,000	Income from house property computed	Rs. 20,000	Textile manufacturing		a) Profit before depreciation	Rs. 2,00,000	b) Depreciation	Rs. 95,000	Cloth Business		a) Profit before depreciation	Rs. 75,000	b) Depreciation	Rs. 18,000	Agency business loss b/f 2023-2024	Rs. 15,000	Income from other sources	Rs. 25,000	Book profits	Rs. 7,00,000	5	K5
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10	Discuss the importance and objectives of deductions under Chapter VI-A of the Income-tax Act, 1961.	5	K5																						
11	Adhi & co. presents the following particulars relating to his business for the year ending 31.03.25 Compute business income.	5	K5																						

Particulars	Rs.	Particulars	Rs.
To Opening stock	33,000	By Sales	1,73,000
To Purchases	98,000	By Closing stock	27,000
To Wages	6,000	By Gift from father	5,000
To Salaries	12,000	By Dividend	3,000
To Rent	14,000	By Bad debts recovered (Disallowed earlier)	2,000
To General expenses	6,000	By Interest on P.O. Savings certificate	7,000
To Wealth tax	4,000		
To Bad debts reserve	2,000		
To Interest on capital	3,000		
To Sales tax	7,500		
To Depreciation	2,500		
To Net profit	29,000		
	2,17,000		2,17,000

Other information:

- 1) The amount of allowable depreciation is Rs.2,000
- 2) General expenses include Rs.1500 donation for poor students
- 3) Income is not included Rs.10,000 during 2024-25
- 4) Rent includes a domestic bill of Rs.3,000
- 5) Opening Stock overvalued by 10%
- 6) Closing stock is undervalued by 10%
