

Name:..... Reg. No.....**P421**

M.COM DEGREE END SEMESTER EXAMINATION MARCH 2016

SEMESTER – 4: COMMERCE

COURSE: P4COMT17EL - DIRECT TAXES - ASSESSMENT AND PROCEDURES

Time: Three Hours

Max. Marks: 75

PART A

Answer **all** questions

1. Define Indian Company
2. What is Appeals
3. What do you mean by Tax Evasion
4. Describe the term Net Wealth
5. Briefly explain Tax Deduction at Source
6. Discuss "PAYE" Scheme?
7. State the Tax Rates of a Firm?
8. What do you mean by Tax Avoidance
9. Describe Refund of Tax?
10. Explain Briefly 'AQQP'.

(10 x 2 = 20)

PART B

Answer **any five** questions.

11. What is Tax Planning? Give then difference between Tax Planning and Tax Evasion?
12. Describe Tax Return Prepares (TRP)?
13. Briefly explain PAN? Who has to obtain PAN?
14. What is GMR and explain how to calculate GMR?
15. Explain Revision?
16. The total income of company computed as per provisional of Income Tax Act for the year is Rs.3,49,800/-. The book profit for the same year is rs.17,16,500. Calculate the tax payable by the company?

17. Jolly has the following assets and liabilities on the valuation date 31st March 2015

Rs. in lakhs

• Residential house	60.0
• A farm house-15 kms away from local limits of Calcutta	30.0
• Car for personal use	16.0
• Jewellery	24.0
• Aircraft for personal use	180.0
• Cash in hand	11.0
• Loan taken to purchase the air craft	80.0
• Urban land-construction not permitted	5.0

Compute the net wealth of jolly?

18. A, B and C are 3 partners sharing profit and loss in the ratio of 1:2:3. The P&L A/C of the firm for the previous year is follows:

Salary to staff	40,000	Gross Profit	8,50,000
Depreciation	30,000		
Remuneration to partners:			
A	1,60,000		
B	1,50,000		
C	1,00,000		
Interest on capital @ 15%	12,000		
A	8,000		
B	10,000		
C	3,40,000		
Net profit			
	8,50,000		8,50,000

Other Information

Depreciation allowable is Rs.20,000

Compute book profit?

(5 X 5 = 25)

PART C

Answer **any two** questions

19. What is Tax Planning? Explain the advantages and limitations of tax planning?

20. Explain the following terms:

- Best judgment Assessment
- Minimum Alternate Tax (MAT)
- TDS
- TCS

21. X Ltd is a company carrying on business in the construction and sale of residential flats. It furnishes the following data and requests you to complete wealth Tax return and determine the tax payable for the A.Y. 2015-16.

	Market Value Rs.
i. Land in rural area	10,00,000
ii. Land in urban area (construction not permitted as per municipal laws)	25,00,000 50,00,000
iii. Land in urban area (held as stock trade since 2011)	12,00,000
iv. Motor cars (not being held as stock in trade)	20,00,000 1,60,00,000
v. Jewellery (not being held as stock in trade)	3,00,000 2,00,000
vi. Air craft	18,00,000
vii. Bank balance	
viii. Cash in hand as per cash book	20,00,000

ix. Residential flats of identical size provided to 6 employees for their use (salary of one of them exceeds Rs.10 lakhs)	35,00,000 30,00,000
x. Residence provided to managing director (salary exceeds Rs.10 lakhs)	
xi. Flats constructed and remaining unsold (not being held as stock in trade)	
xii. Residence provided to whole time director (salary Rs.7,20,000 the director owns 20% equity shares)	

The company has taken a loan of rs.6,00,000, Rs.7,00,000 and Rs.1,00,000 for acquiring property numbers(i), (ii) and (xii) above respectively.

22. From the following P&L A/C of Shanmughan Ltd.,, prepare a statement showing taxable income for the year ending 31st march 2015.

• Office salaries	28,000	Gross profit	5,40,0
• Office expenses	16,900	• Interest on securities(Gross	00
• Printing & Stationery	22,500 22,000	• Premium on issue of shares	10,00 0
• Rent	12,000	• Dividend from other	
• Income Tax	8,000		

• Donation to Rajiv Gandhi Foundation	23,000 5,500	companies	22,000
• Sales tax paid	13,200		10,000
• Reserve to bad debts	15,000		
• Contribution to unrecognized provident fund	43,000 16,350 20,000		
• Brokerage on loan obtained	60,000		
• Interest on loan			
• Directors fees	2,76,550		
• Compensation paid for termination of a selling agency			
• Expenses on London Office			
Net Profit			
	5,82,00 0		5,82,0 00

(15 x 2 = 30)
