



GL BAJAJ

Institute of Management & Research

Approved by A.I.C.T.E., Ministry of HRD, Govt. of India

Roll No.....

Plot No. 2, Knowledge Park-III, Greater Noida (U.P.)–201306

POST GRADUATE DIPLOMA IN MANAGEMENT (2017-19)

END TERM EXAMINATION (TERM- IV)

Subject Name: **Corporate Tax Planning**

Time: **02.00 hrs**

Subject Code: **PGF-05**

Max Marks: **50**

Note:

- 1. Writing anything except Roll Number on question paper will be deemed as an act of indulging in unfair means and action shall be taken as per rules.**
- 2. All questions are compulsory in Section A, B & C. Section A carries 2 Case Studies, 10 marks each. Section B carries 2 questions of 10 marks each and Section C carries 5 questions 2 marks each.**

SECTION A

10×02 = 20 Marks

Q. 1: Read the case and answer the questions given below:

The following are the details relating to Mr. Ravi Prasad, a resident of India, relating to the year ended 31/03/2018:

Particulars	Amount (Rs)
Income from salaries	2,20,000
Loss from house property	1,90,000
Loss from cloth business	2,40,000
Income from speculation business	30,000
Loss from specified business covered by section 35AD	20,000
Long-term capital gains from sale of urban land	2,50,000
Long-term capital loss from sale of listed shares in recognized stock exchange (STT paid)	1,10,000
Loss from card games	32,000
Income from betting (Gross)	45,000
Life Insurance Premium paid	1,20,000

Questions

- Compute the total income of Mr. Srivatsan for the year ended 31.3.2018
- Illustrate the items eligible for carry forward.

Q.2: Read the case and answer the questions given below:

In the campus placement, you have received offers from companies of Delhi for your service as under:

	Offer A (Rs.)	Offer B (Rs.)
Basic Salary	5,00,000	2,50,000
House Rent Allowance	----	48,000
Travelling allowance(for coming to office from residence)	----	19,200
Contribution to approved superannuation fund by the employer	----	1,70,000
Mobile phone	----	12,800
Total	5,00,000	5,00,000

Additional information:

- You have plan to save under section 80C will be Rs. 50,000.
- You will pay house rent Rs. 6,500 per month.
- You will need a mobile phone for private purposes.

Questions

- (i) Compute the Taxable Income under both the offers.
- (ii) Which offer should he accept so that his tax liability is minimized?

SECTION B

10×02 = 20 Marks

Q. 3: Discuss the methods of calculating depreciation of asset. Highlight the advantages of planning for depreciation.

Q. 4: Describe the income tax rates for the resident individual for the AY 2018-19 under different income slabs for (a) under age 60 years, (b) 60 years or more and less than 80 years, (c) 80 years or more.

SECTION C

02×05 = 10 Marks

Q.5 (A): What are the different categories of assesses according to their residential status? How is the residential status assesses determined?

Q. 5 (B): What types of assets are qualified for depreciation as per Section 32 of Income Tax Act, 1961?

Q. 5(C): Describe the Tax incentives to the Shareholders of Amalgamating Company in case of Merger of two firms.

Q. 5 (D): Explain how the transfer pricing used as tax avoidance by MNCs. Illustrate with an example.

Q. 5 (E):What do you understand by Minimum Alternate Tax and when it is levied?