

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

POST GRADUATE DIPLOMA IN MANAGEMENT (2024-26)
END TERM EXAMINATION (TERM -V)

Subject Name: **Corporate Tax Planning**

Time: **02.00 hrs**

Sub. Code: **PGF51**

Max Marks: **40**

Note: All questions are compulsory. Section A carries 12 marks: 6 questions of 2 marks each, Section B carries 18 marks having 3 questions (with internal choice question in each) of 6 marks each and Section C carries 10 marks one Case Study having 2 questions of 5 marks each.

Kindly write the all the course outcomes as per your TLEP in the box given below:

Cos	Statement of Course Outcomes	Bloom's Taxonomy
CO-1	To develop an understanding of the fundamental concepts of Income Tax Law , including income, residential status, and scope of total income for different categories of taxpayers.	Understand- L-2
CO-2	To enable students to compute income under various heads and determine the taxable income and tax liability of companies , including the application of Minimum Alternate Tax and provisions relating to set-off and carry forward of losses.	Understand- L-2 Apply- L-3 Analyze- L-4
CO-3	To familiarize students with the principles of corporate tax planning and tax management , and to distinguish clearly between tax planning, tax avoidance, and tax evasion.	Apply- L-3 Analyze- L-4 Evaluate- L-5
CO-4	To analyze the impact of tax benefits, incentives, and GST on corporate financial and managerial decisions , such as business formation, location, nature of business, and distribution of profits.	Apply- L3 Analyze- L-4

SECTION - A

Attempt all questions. All questions are compulsory.

2×6 = 12 Marks

Questions	CO	Bloom's Level
Q. 1: A. What is meant by Previous Year under the Income Tax Act, 1961? B. Define Assessee as per the Income Tax Act, 1961. C. What is Residential Status and why is it important for taxation? D. What is included under Income from House Property? E. Define Business Income.	CO1	L2
F. What is Income from Other Sources?	CO2	L2

SECTION – B

All questions are compulsory (Each question has an internal choice. Attempt anyone (either A or B) from the internal choice)

6 x 3 = 18 Marks

Questions	CO	Bloom's Level
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<p>Q. 2: (A). (i) Explain the scope of total income of a Resident and Ordinarily Resident and a Non-Resident under the Income Tax Act, 1961.</p> <p>(ii) Mr. Aman, an Indian citizen, stayed in India for 150 days during the previous year 2023–24 and for 380 days during the four preceding previous years. Determine his residential status for Assessment Year 2024–25 with reasons.</p> <p style="text-align: center;">Or</p> <p>Q. 2: (B). Explain the concept of Gross Total Income and Total Income under the Income Tax Act, 1961. Distinguish clearly between the two.</p> <p>Q. 3: (A). Mr. Kunal is employed with XYZ Ltd. During the financial year 2025–26, he received the following:</p> <p>Basic Salary: ₹7,20,000 Dearness Allowance (forming part of salary): ₹1,80,000 Bonus: ₹75,000 House Rent Allowance received: ₹2,40,000 Rent paid for accommodation in Mumbai: ₹2,20,000 Leave encashment received during service: ₹1,50,000 Children’s education allowance: ₹18,000 Professional tax paid: ₹2,400</p> <p>Analyse Income from Salary for the Assessment Year 2026–27 and his tax liability as per old tax regime.</p> <p style="text-align: center;">Or</p> <p>Q. 3: (B). “Explain the various heads of income under the Income Tax Act, 1961. In your answer, discuss the scope, components, and types of income included in each head, along with relevant examples.</p> <p>Q. 4: (A). Explain the structure of GST in India. Distinguish between CGST, SGST, IGST, and UGST with suitable examples.</p> <p style="text-align: center;">Or</p> <p>Q. 4: (B). Discuss the role, composition, and functions of the GST Council. How does it influence GST rates and compliance in India?</p>	<p>CO1</p> <p>CO2</p> <p>CO4</p>	<p>L2,3</p> <p>L4</p> <p>L2</p>
<u>SECTION - C</u>		
Read the case and answer the questions	5×02 = 10 Marks	
Questions	CO	Bloom’s Level
<p>Q. 5: Case Study:</p> <p>Green Tech Manufacturing Ltd. is a domestic company engaged in the production of electric vehicle components. The following details are available for the financial year 2025–26:</p> <p>Net Profit before tax: ₹95,00,000 Depreciation as per Companies Act: ₹12,00,000 Depreciation as per Income Tax Act: ₹18,00,000 Expenses disallowed under Income Tax Act: ₹3,00,000 Brought forward business loss: ₹8,00,000 Minimum Alternate Tax rate: 15%</p>	<p>CO3</p>	<p>L5</p>

<p>Proposed dividend: ₹25,00,000</p> <p>The company is also evaluating whether to expand its operations in a tax-incentivized industrial zone or a regular industrial area.</p> <p>Questions:</p> <p>Q 5(A). Compute the taxable income and tax liability of Green Tech Manufacturing Ltd. for the Assessment Year 2026–27 after considering depreciation adjustments, disallowed expenses, set-off of losses, and applicability of Minimum Alternate Tax. Ignore surcharge and cess.</p> <p>Q5(B). Green Tech Manufacturing Ltd. is considering expanding its operations either in a tax-incentivized industrial zone or in a regular industrial area. The management is also debating whether to retain profits for expansion or distribute higher dividends to shareholders.</p> <p>As a tax consultant, analyse how corporate tax planning can strategically influence:</p> <ul style="list-style-type: none"> • (i) the choice of location for expansion, • (ii) decisions regarding profit retention versus dividend distribution, and • (iii) long-term growth while ensuring legal and ethical tax compliance. 		
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Kindly fill the total marks allocated to each CO's in the table below:

COs	Question No.	Marks Allocated
CO1	1 A-C and 2	12
CO2	1 D-F and 3	12
CO3	5	10
CO4	4	6

(Please ensure the conformity of the CO wise marks allocation as per your TLEP.)

Blooms Taxonomy Levels given below for your ready reference:

L1= Remembering

L2= Understanding

L3= Apply

L4= Analyze

L5= Evaluate

L6= Create