

(iii) Rs. 10,000 paid to legal advisers in respect of proceeding before income tax authorities.

(iv) Penalty of Rs. 24,000 for importing yarn in contravention of import regulations.

Compute taxable income of the company.

Q.XI Write short notes on the following—

(a) Dividends policy

(b) Issue of bonus shares

Q.XII Discuss in details 'tax planning in relation to amalgamation of companies'.

Q.XIII Explain the specific managerial decision like close or continue.

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M.B.A. (IIIrd Sem.) Examination-2013 CORPORATE TAXATION

Paper - IV

Time Allowed : Three Hours

Maximum Marks : 80

Note : Attempt questions of all sections.

Section-A

Objective Type Questions

Note : Attempt any four questions.

Each question carries 8 marks.

- Q.I How is residence of assessee determined for income tax purposes ? Explain the incidence of residence on a tax liability.
- Q.II Explain the provision of the income tax Act regarding set-off and carry forward of losses.
- Q.III Explain residential status and incidence of tax liability of a company.
- Q.IV "Tax planning is a legal and moral way of tax saving." Discuss the statement and describe its importance.

(2)

Q.V Write a note on 'Tax incentives to amalgamated company ?

Q.VI Write a following any two—

- (a) Inter corporate dividend and transfer
- (b) Location of undertaking
- (c) Define amalgamation and merger.

Q.VII How is tax planning different from tax evasion.

Q.VIII Write a short note on—

- (a) Own or Lease
- (b) Close of continue

Section-B

Short Answer Type Questions

Note: Answer any three questions. Each question carries 16 marks.

Q.IX The following are the income of NISHIL for the previous year-2011-12—

- (i) Income from agriculture in Pakistan Rs.30,000
- (ii) Salary received in India but the services were rendered in Iraq (completed) Rs. 12,000

(3)

- (iii) Income from a business carries on in India Rs. 12,000
- (iv) Dividend from a domestic company (loss) Rs. 2000.00
- (v) Income earned and received in Bangladesh from bank deposits there Rs. 6,000
- (vi) Income from business in ceylon but controlled from India and remitted to India. Rs. 14000

Compute NISHIL gross total income if she is—

- (a) Resident
- (b) Not ordinarily resident
- (c) Non resident

Q.X Neha Ltd. is an Indian company manufacturing textile for the year ending 31st March, 2012 the profit and loss account showed a net profit of Rs. 10,25,000.00 after debiting the following—

- (i) Dividends Rs. 2,00,000 paid to share holders for the accounting year 2010-11.
- (ii) Interest Rs. 10,000 paid on loan taken for the payment of company's income tax.