

(4)

DH-450

Total No. of Questions : 13 Total No. of Printed Pages : 4

1. Tax rate applicable to Meen Ltd. 30.%
2. After tax cost of capital 13%
3. P.V. Factor for Rs @ 13% AT year end

Year	(i)	(ii)	(iii)	(iv)	(v)
	0.885	0.783	0.693	0.613	0.543

4. Lease rent is payable at the end of year in both cases
. Advise the company regarding better option.

13. Explain in detail tax planning with regards to Inter Corporate Dividends. "

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M.B.A. (FT) IIIrd Semester Examination, 2014-15

Corporate Taxation

Paper - FSF-4

Time : 3 Hours]

[Maximum Marks : 80

Note :- All questions are compulsory.

Section - 'A'

Short Answer Type Questions 4×8=32

Note :- Answer any four questions. Each question carries 8 marks.

1. Explain residential status and Incidence of tax liability on a company.
2. "Tax planning is a legal and moral way of tax saving". Discuss the statement and describe its importance.

P.T.O.

3. Discuss the effect of taxation when the capital is owned or when it is borrowed.
4. Explain the tax considerations to be kept in mind while deciding the dividend policy of the company.
5. Write short notes on (any two) :-
 - (i) Tax Avoidance
 - (ii) Tax planning
 - (iii) Tax management
6. Explain the provisions for payment of minimum Alternative tax by companies U/s 115 JB.
7. Which incentives have to be kept in mind while selecting the location of the business.
8. Supreme Ltd. is an Indian Company which is interested in issuing Bonus Shares to its equity share holders. As a tax expert, analyse the effects of the issue of bonus shares.

SECTION - 'B'

Long Answer Type Questions 16×3=48

Note :- Attempt any three question. Each question carries 16 marks.

9. Explain the provisions related to set off and carry forward of losses.
10. Discuss the provisions of Income Tax Act relating to Amalgamation of companies.
11. Explain the tax considerations in respect of following decisions :-
 - (a) Make or Buy
 - (b) Close or continue
12. Meena Ltd. Wants to acquire furnace costing Rs. 5,00,000 following two options are available.

Option I - To take it on lease from XYZ Ltd. for 3 years at a yearly rent of Rs. 290 per 1,000 of the asset value payable at year end.

Option II - To take it on lease from ABC Ltd. For 5 years at a yearly rent of

 - (i) Rs. 310 per Rs. 1000 of asset value for 3 years and
 - (ii) Rs. 230 per Rs. 1000 of asset value for next 2 years

Other Information :- "