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**M.B.A. (IIIrd Sem.) (F.T.) Examination-2015-16**

**CORPORATE TAXATION**

**Paper - FSF-4**

**Time Allowed : Three Hours**

**Maximum Marks : 80**

**Note :** Attempt both section questions.

**Section-A**

**(Short Answer Type Questions)**

**Note :** Attempt any four questions.

Each questions carries 8 marks.

- Q.I Discuss in brief the basic concepts of Income Tax.
- Q.II What is minimum alternative tax ?
- Q.III Explain dividend distribution tax ?
- Q.IV Write about the tax benefits which are available under the Income Tax Act on the basis of location, nature and size of business.

(2)

- Q.V What do you understand by bonus shares ?
- Q.VI What tax incentives have been provided to shareholders of amalgamating company ?
- Q.VII Explain the term 'lease'.
- Q.VIII Briefly discuss the concept of make or buy decisions.

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### Section-B

#### (Long Answer Type Questions)

**Note :** Attempt any three questions.

Each questions carries 16 marks.

- Q.IX Discuss 'Amalgamation' as per Income Tax Act, 1961.
- Q.X A company requires 20,000 units of a component every year for next five years. The component can either be manufactured by the company in its factory or be purchased from the market. From the following information suggest to the company whether it should make the component or buy it from the market—
- (1) Material cost per unit Rs. 4
  - (2) Labour cost per unit Rs. 6

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Contd. ....

(3)

- (3) Variable overhead cost per unit Rs. 2
- (4) If the company manufacture the part, it has to purchase a machine by taking a loan from the bank. The present value of net cash outflow in this regard in five years will be Rs. 1,00,000.
- (5) The component available in the market at—
  - (a) Rs. 12.50 per unit
  - (b) Rs. 14 per unit

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- Q.XI Enumerate the provisions relating to set off and carry forward of losses.
- Q.XII From the following information compute total income—
- (a) 1,000 shares purchased on 15.6.2014 for Rs. 3,00,000
  - (b) Record date 10.8.2014
  - (c) Dividend received on shares Rs. 50,000 which was exempt V/s 10 (34).
  - (d) 1,000 shares sold on 14-10-2014 for Rs. 2,40,000.
  - (e) Other capital gains Rs. 1,00,000.
- Q.XIII Elucidate the meaning and scope of tax planning.

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