

**C-4655**

**Sub. Code**  
**31044C**

**M.B.A. DEGREE EXAMINATION**

**INDUSTRY INTEGRATED**

**APRIL 2021 EXAMINATION**

**&**

**APRIL 2020 ARREAR EXAMINATION**

**Fourth Semester**

**CORPORATE TAXATION**

**(2017 onwards)**

Duration : 3 Hours

Maximum : 75 Marks

**Part - A**

(10 × 2 = 20)

Answer **all** questions.

1. Define the terms previous year and assessment year.
2. Explain the term assessee in default.
3. What is casual income?
4. Define salaries.
5. Explain the concept of deemed profit.
6. What is the meaning of the term 'cost of acquisition' as used in capital gains?
7. Write a note on central board of direct tax.

8. What is best judgment assessment?
9. What is tax deducted at source?
10. Mention any four circumstances in which a claim for refund of tax may arise.

**Part - B**

(5 × 5 = 25)

Answer **all** questions, choosing either (a) or (b).

11. Miss Monica, a foreign national, comes India every year for 90 days since 2003-04. Determine her residential status for the previous year 2018-19.
  - (a) Will your answer differ, if she comes India for 100 days instead of 90 days every year.

Or

- (b) Since Miss Monica stayed for 100 days during the previous year 2018 -19 and for 400 days (100 days × 4 years) during the 4 years immediately preceding the previous year, hence, she is satisfying Sec. 6 (1) (c). Thus, she is resident for the previous year 2018 - 19. Further, she resides for only 700 days (100 days × 7 years) during the 7 years immediately preceding the previous year. Hence, she does not satisfy one of the conditions of Sec. 6 (6). Thus, she is resident but not ordinarily resident for the previous year 2018 -19.

12. (a) Mr. Ramsanth had estates in rubber, tea and coffee. He derives income from them. He furnishes the following particulars of his income for the year ending 31-3-2019. Manufacture of rubber Rs.5,00,000, Manufacture of coffee grown and cured Rs.3,50,000, Manufacture of tea Rs.7,00,000. Compute taxable income of Ramsanth for the A. Y. 2019-20.

Or

- (b) Compute tax liability of Mr. Gulam for the assessment year 2019-20. Total income Rs.4,00,000  
Agriculture income Rs.3,000.
13. (a) Ashok, an employee of ABC Ltd., receives Rs.2,05,000 as gratuity under the Payment of Gratuity Act, 1972. He retires on 10th September, 2018 after rendering service for 35 years and 7 months. The last drawn salary was Rs.2,700 per month. Calculate the amount of gratuity chargeable to tax.

Or

- (b) Mrs. X is working with ABC Ltd. since last 30 years 9 months. Her salary structure is as under:  
Basic Rs.5,000 p.m. Dearness allowance Rs.3,000 p.m. On 15-12-2018, she died. State the treatment of gratuity in following cases: Case 1: Mrs. X retired on 10-12-2018 & gratuity Rs.4,00,000 received by her husband (legal heir) as on 18-12-2018. Case 2: Husband of Mrs.X received gratuity on 18-12-2018 falling due after death of Mrs. X. Mrs. X is covered by the Payment of Gratuity Act.

14. (a) What is House Property? Discuss the major taxation rules related to the income from house property.

Or

- (b) Discuss the provisions of Minimum Alternative Tax (MAT) on companies and its adjustment in succeeding previous year.

15. (a) What is CBDT? State their powers.

Or

- (b) Write a detailed note on income from other sources.

**Part - C**

(3 × 10 = 30)

Answer **all** questions, choosing either (a) or (b).

16. (a) What is an exempted income under IT Act 1961? Discuss why and how they are exempted.

Or

- (b) In case of an individual how would you calculate the total income under various heads? Elaborate.

17. (a) X, a resident of Ajmer, receives Rs.48,000 as basic salary during the previous year 2018-19. In addition, he gets Rs.4,800 as dearness allowance forming part of basic salary, 7% commission on sales made by him (sales made by X during the relevant previous year is Rs.86,000) and Rs.6,000 as house rent allowance. He, however, pays Rs.5,800 as house rent. Determine the quantum of exempted house rent allowance.

Or

(b) Compute the taxable house rent allowance of Mr. Abhijeet from the following data:

- (i) Basic salary Rs.5,000 p.m. D.A. Rs.2,000 p. m., HRA Rs.4,000 p.m. Rent paid Rs.4,000 in pune.
- (ii) On 1-07-2018, there is an increment in basic salary by Rs.1,000
- (iii) On 1-10-2018, employee hired anew flat in Kolkata at the same rent as he was posted to Kolkata.
- (iv) On 1-01-2019, employee purchased his own flat and resides there.

18. (a) Mr. Krishnan constructed one house in 2016. Half of the portion is let out and the remaining half is used for his residence. particulars are available.

Municipal value Rs.12,500

Rent received Rs.10,000

Municipal tax Rs.2,500

Ground rent Rs.250

Repairs Rs.2,000

Interest on loan taken for construction  
Rs. 2,500.

Compute his income from house property for the AY 2019-20.

Or

(b) The net profit of business of Mr. Vijayan as disclosed by its profit and loss account were Rs.3,25,000 after charging the following:

- (i) Municipal taxes on house property let out 3000
- (ii) Bad debts written off 15000
- (iii) Provision for doubtful debts 16000
- (iv) Provision for taxation 15000
- (v) Depreciation 25000
- (vi) Depreciation allowable 20000

Ascertain taxable business profit?

---