M.Com. (Semester – II) Examination, November 2016
COC205 : CORPORATE TAX PLANNING AND MANAGEMENT (OA – 18)

Duration : 3 Hours Max. Marks : 60

Instructions : *1) This Paper consists of **nine** questions carrying **equal** marks.*
*2) Question No. 1 consists of **5 compulsory** questions of **2** marks **each**.*
*3) Answer **any 5** questions from question **2, 3, 4, 5, 6, 7, 8** and **9**.*
*4) **Each** question carries **10** marks. Figures to the **right** indicate marks.*

1. Answer the following questions in brief : **(5×2=10)**

a) List out any 4 tax free perquisites.

b) List out any 8 incomes which are exempt from tax.

c) What is a Belated and Revised Return ?

d) Determine the Gross Annual Value of the house property based on the following information :

Municipal Value – Rs. 90,000, Fair Rent – Rs. 1,40,000, Standard Rent – Rs. 1,20,000

The house property has been let out for Rs. 12,000 per month and was vacant for 1 month during the previous year 2014-15.

e) Compute the gross total income of Ms. Sudha (Resident and Ordinarily Resident) for the A. Yr. 2015-16.

Interest received on German Development bonds in India	Rs. 5,000
Dividend received from Finolax Ltd. (Indian Company)	Rs. 2,000
Income from Local Business in India	Rs. 1,00,000
Income from house property situated in Korea (Rent Received in Korea)	Rs. 1,05,000

2. Explain the provisions with respect to the following deductions :
   a) Deduction u/s 80D in respect of Medical Insurance Premia. **5**
   b) Deduction u/s 80DDB in respect of Medical Treatment. **5**
3. What are the tax planning aspects to be considered in respect of setting up of the new industrial undertaking ? **10**
4. a) Explain the provisions of Section 139A in respect of Permanent Account Number (PAN). **5**
   b) Highlight on the provisions of exemption of Capital Gain on the transfer of a residential house. **5**
5. Explain the types of provident funds and highlight on the tax treatment for the same. **10**
6. Mr. Rahul owns 3 houses situated in Goa. The following information on the houses is available :

Particulars	House I (Rs.)	House II (Rs.)	House III (Rs.)
Municipal Value	1,00,000	1,50,000	2,00,000
Fair Rent	1,40,000	1,80,000	2,40,000
Standard Rent	1,20,000	2,00,000	Nil
Actual Rent (Per month)	12,000	17,500	21,000
Period of Vacancy	Nil	1 Month	6 Months
Municipal taxes for the year	20% of Municipal Value	40,000	50,000
Municipal tax paid during the year	20,000	80,000	30,000

Compute the income under the head house property of all the 3 houses. **10**

7. Mr. Harsh acquired land in 1977-78 for Rs. 2,00,000 and gifted it to his major son Abhijit on 1st June 1980, when the market value of the land was Rs. 2,50,000. The fair market value of that land as on 1st April 1981 was Rs. 3,00,000. Abhijit sold the land on 15th September 2014 for Rs. 90,00,000. Compute the capital gain for A. Yr. 2015-16, assuming that the expenses on transfer were Rs. 70,000. What would be the capital gain if the land was gifted by Mr. Harsh to his son Abhijit on 15th May 1994 ? **10**

Year	Cost Inflation Index
1981 – 82	100
1982 – 83	109
1993 – 94	244
1994 – 95	259
2012 – 13	852
2013 – 14	939
2014 – 15	1024

8. Datta, a resident individual, submits the following information relevant for the previous year ending 31st March 2015 :

	Rs.
Profits of business A carried on in India	90,000
Loss of business B carried on in India	– 30,000
Profits of business C carried on in London (income is received in London and business is controlled from London)	52,000
Loss of business D carried on in London (though profits are not received in India, business is controlled from Delhi)	– 46,000
Unabsorbed depreciation of business D	63,000

Income from property situated in India	22,000
Income from property situated in London (received in London)	1,92,000

Determine the net income of Datta for the assessment year 2015-16 on the assumption that he is (a) Resident and Ordinarily Resident in India (b) Resident but not Ordinarily in India, (c) Non-Resident in India. 10

9. The depreciated value of a block of assets (consisting of Plant A and Plant B) is Rs. 5,30,000 on 1st April 2014. (Plant A – Rs. 5,00,000 and Plant B – Rs. 30,000). Depreciation rate is 20%. The following information is available :

Asset	Rate of Depreciation	Date of Purchase	When it is put to use	Actual Cost
Plant C	20	15th March 2014	10th April 2014	50,000
Plant D	20	10th May 2014	3rd December 2014	70,000
Plant E	20	6th June 2014	6th June 2014	90,000
Plant F	20	1st April 2015	31st May 2015	1,10,000

Plant A is sold on 16th August 2014 for Rs. 2,00,000. Compute the depreciable value of the block as on 1st April 2015. 10