

SVKM's NMIMS
NMIMS – GLOBAL ACCESS SCHOOL FOR CONTINUING EDUCATION

Programme: DFM/PGDFM

Examination: June 2017

Subject: Corporate Taxation – Direct and Indirect

Semester: II

Course : New

Marks : 70

Time: 11.00 a.m. to 2.00 p.m.

Date: 19.06.2017

Instructions:

1. Answer to each new question to be started on a fresh page.
2. Figures in bracket indicate full marks.

Q.1) Attempt any 2 out of 4

(Marks: 2X5=10)

- a) What is Income deemed to be received in India?
- b) What are Transactions Not Amounting to Inter State Sales ?
- c) What is Importance of VAT at Macro level ?
- d) Write a brief note on CENVAT.

Q.2) Write Short Notes on any 2 out of 5

(Marks: 2X5=10)

- a) Define Company' as per IT Act 1961.
- b) What is Liability to pay Excise Duty under CE Act 1944?
- c) Explain Sec 65 A of Chapter V of Finance Act 1944.
- d) Explain Cost Plus Method in Arm Length pricing of International Taxation.
- e) Define Territorial Taxation.

Q.3) Attempt any 3 out of 5

(Marks: 3X10=30)

- a) What is Transfer Pricing ?
- b) What is treatment of Loss under Income from House Property?
- c) Explain respective IT exemption under 80CCC.
- d) Explain 'Cost of Acquisition of Self Generated Assets' in Capital Gains.
- e) Capital gains on purchase by company of its own shares or other specified securities.

Q.4) Attempt both the questions

(Marks: 2X10=20)

A) A acquired a plot of land on 15-6-1993 for Rs.10,00,000, which was sold on 5-1-2008 for Rs.41,00,000. The expenses of transfer were Rs.1,00,000.

A made the following investments on 4-2-2008 from the proceeds of the above plot.

a) Bonds of Rural Electrification Corporation Ltd. redeemable after a period of 3 years Rs.12,00,000.

b) Deposits under Capital Gain Scheme for purchase of a residential house as he does not own any house Rs.8,00,000.

Compute the Capital Gain chargeable to tax for the A.Y. 2008-09.

B)

Dr J.L.Gupta is a renowned medical practitioner who maintains books on cash basis. The following in the receipts and payments a/c for the financial year 2007-08.

	(Rs.)		(Rs.)
Balance brought forward	44,000	Rent of clinic	
Consultation fees		2007-08	24,800
2006-07	5,000	2008-09	1,200
2007-08	1,35,000	Water & Electricity Bills	2,000
Visiting fees	30,000	Purchase of professional books	40,000
Loan from bank	1,25,000	Household expenses	47,800
Sale of medicines	60,000	Collection charges for dividend	
Gifts from patients	5,000	income	100
Royalties for articles published		Motor car purchased	130,000
in various journals	6,000	Surgical equipment purchased	24,800
Dividend	10,000	Income-tax	7,000
Interest on Government	70,000	Banking cash transaction tax	3,000
Securities		Salary to staff	15,000
		Life insurance premium	15,000
		Gift to son	5,000
		Interest on loan	11,000
		Car expenses	15,000
		Purchase of medicines	40,000
		Balance c/d	45,300
	4,27,000		4,27,000

Compute his income from profession for the A.Y. 2008-09 after taking into account the following information:

- Books worth Rs.25,000 were purchased on 15-5-2007, which were annual publication.
- Car was purchased on 1-1-2008 and the surgical equipment on 4-9-2007.
- It is estimated that 1/3 of the use of car is for his personal use.
- Gifts and presents include Rs.2000 from patients in appreciation of his medical service and Rs.3000 received as birthday gifts.
- Opening and closing stock of medicines amounted to Rs.10,000 and Rs.6000 respectively.
