

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

Programme: DFM/PGDFM

Examination: June 2015

Subject: Corporate Taxation – Direct and Indirect

Date: 24.06.2015

Semester: II

Course : New

Marks : 70

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

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) Residential Status of Individual
- b) Any 5 Fringe Benefits
- c) Loss from House Property
- d) Company

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

(Marks: 2X5=10)

- a) Agricultural Income
- b) Block of Assets
- c) TDS
- d) Differentiate between long term and short term asset
- e) Concept of CENVAT under Service Tax

Q.3) Attempt any 3 out of 5

(Marks: 3X10=30)

- a) Explain the Resale price method and Cost plus method under the Arm's Length Price
- b) X is in negotiation with two employer A & B, who have made the following offers to X. Help Him in making an appropriate choice so that his taxable salary is lower

Particulars	Rupees	
	A	B
Basic Salary	500000	50,0000
HRA – Actual Rent Rs. 200000	25,0000	0
Free House –fair rental value 50000	0	25,0000
Transport Allowance	100000	0
Free Use of Car – Amount spent	0	1,00,000
Education Allowance for one child	50000	0
Free Education for 1 child. Amount spent	0	50,000
Gardener Allowance	60000	0
Gardener's salary paid by employer	0	60,000
Salary	960000	9,60,000

c) Calculate income from house property from below data.

Particulars	House 1	House 2
Rent per month	8000	5000
Municipal valuation	90,000	60,000
Fair rent	1,00,000	65,000
Standard Rent	1,00,000	50,000
Rent of let out period	72,000	15,000
Municipal taxes paid	12,000	8,000
Interest on borrowed capital	20,000	4,000

d) 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.

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

Cost Inflation Index:

- 1992-93 – 223
- 1993-94 – 244
- 1994-95 – 259
- 2006-07 – 519
- 2007-08 - 551

e) Explain the concept of Warehousing under the Customs Act.

Q.4) Attempt both the questions

(Marks: 2X10=20)

a) Any 3 Deductions under Section 80

b) Income & Expenditure A/c of Lawyers & Co. for the year ending March 31, 2012 is as follows:

To Expenses	150,000	Professional Receipts	380,000
To Depreciation	20,000	By Other fees	90,000
To Remuneration to Partners	150,000		
Interest on Capital to partners @ 20 %	20,000		
To Net Profit	130000		
Total	360000		470000

4,70,000

Other Information:

1. Expenses include Rs. 18,000 and Rs. 12,000 paid in cash as brokerage to a single party on a single day .
 2. Depreciation calculated as per section 32 is Rs. 40,000
- Compute the total income of the firm.**
