

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

Programme: DFM/PGDFM

Examination: December 2015

Subject: Corporate Taxation – Direct and Indirect

Semester: II

Course : New

Marks : 70

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

Date: 20.12.2015

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) Define concept of 'Total Income'
- b) Discuss ROR – Residential Individual Status
- c) X, after about 30 years stay in India, returns to America on January 29, 2011. He returns to India in June 2013 to join an American company as its overseas branch manager. Determine his residential status for the Assessment Year 2014-15.
- d) Define 'Agriculture Income' under I.T. Act

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

(Marks: 2X5=10)

- a) Who is an Assessée?
- b) Define 'Person' under Income Tax Act 1961.
- c) Discuss HRA under Salary Income.
- d) What is 'Gross Annual Value' in House Property?
- e) What is outline (basics of) Block/Class of Assets?

Q.3) Attempt any 3 out of 5

(Marks: 3X10=30)

- a) What are differences in Direct & Indirect Taxes?
- b) X retires on 4.1.2005 after serving XY Company Ltd. for a period of 16 years and 11 months. At the time of retirement his basic salary was Rs. 4,400 per month and he was also entitled to Dearness Allowance of Rs. 800 per month. On his retirement he received Rs. 60,000 as gratuity. Compute the amount of gratuity exempt from tax and the amount to be included in gross salary. He is covered under the payment of Gratuity Act. Calculate Gratuity to be Exempt & to be included.
- c) The WDV of plant and machinery on 1.4.2013 of Z Ltd. Engaged in manufacturing of PVC granules is Rs. 2,000 lacs. Company purchased additional plant and machinery for Rs. 1,600 lacs on 18.4.2013 inclusive of second-hand machine imported from Ireland of Rs. 400 lacs to increase its installed capacity of production from 1000 TPA to 1500 TPA. The production from new machine commenced w.e.f 1.12.2013. Work out by giving reasons the amount of allowable depreciation.
- d) Discuss any 5/6 General Rules for claiming Deductions under Sec 80 (A)
- e) Describe any 5 Types of Payment with TDS % Applicability on it.

Q.4) Attempt both the questions

(Marks: 2X10=20)

a) R Ltd has two divisions namely the Paints Division and Tyres Division and the balance Sheet of the company as on 31-3-2007 is as under:

Liabilities	Rs.	Assets	Rs.
Paid up capital	60,00,000	<i>Paints Division</i>	
		Fixed Assets (WDV as on 31-3-2007 after charging depreciation)	
		(a) Land and building	15,00,000
Reserves and surplus	84,00,000	(b) Plant and Machinery	25,00,000
Creditors		Debtors	20,00,000
Paints division	30,00,000	Stock in trade	15,00,000
Tyre division	60,00,000	Other current assets	5,00,000
		<i>Tyre Division</i>	
		Fixed Assets (WDV as on 31-3-2007 after charging depreciation)	60,00,000
		Investments	20,00,000
		Debtors	30,00,000
		Stock in trade	40,00,000
		Other current assets	4,00,000
	2,34,00,000		2,34,00,000

The company decides to sell the Paint division which was established in 1995 to another company G Ltd. On 1-5-2007 for a lump sum of Rs. 90, 00,000. The fixed assets of the company includes land and building whose WDV as on 1-4-2007 is Rs. 15,00,000, but it has been valued as Rs. 50,00,000 for the purpose of stamp duty. Compute the capital gain taxable in the aforesaid case assuming the market value of stock transferred is Rs. 20,00,000.

Calculate long term Capital Gain / Loss in above.

b) Explain any 5 Imp. Investment Deductions under section 80C
