

Reg. No. :

Name :

Sixth Semester B.Com. Degree Examination, April 2023

First Degree Programme under CBCSS

Stream 1 : Finance

Elective Course IV

CO 1661.1 : TAXATION LAW AND ACCOUNTS

(2017 Admission onwards)

Time : 3 Hours

Max. Marks : 80

PART – A

Answer **all** questions in **one** or **two** sentences each. Each question carries **1** mark.

1. What is AMT?
2. Define tax evasion.
3. What is the tax rate of domestic company?
4. State the situations where PAN is compulsory.
5. What is LLP?
6. What is exempted supply?
7. What do you mean by substantial interest in a company?

8. How the tax Liability of AOP is determined?
9. What do you mean by Advance payment of tax?
10. What are Goods?

(10 × 1 = 10 Marks)

PART – B

Answer **any eight** questions in not exceeding **one** paragraph each. Each question carries **2** marks.

11. What is income tax return?
12. Explain the residential status of a company.
13. What is HUF?
14. Define foreign company.
15. What is tax collected at source?
16. Write any two limitations of tax planning.
17. What is ITR-V?
18. What is belated return?
19. What is assessment order?
20. Who is tax recovery officer?
21. What do you mean by a closely held company?
22. What is return of loss?

(8 × 2 = 16 Marks)

PART – C

Answer **any six** questions in not exceeding **120** words each. Each question carries **4** marks.

23. What are the factors to be considered in tax planning?
24. Explain best judgement assessment.
25. What are the rules relating to deduction of tax at source in case of salary?
26. Explain the various modes of recovery of tax.
27. State the objectives of GST.
28. Differentiate tax evasion from tax avoidance.
29. The book profits of a company u/s 115 JB are Rs.12,55,00,000. However, total income of the company after setting off past years brought forward business losses amounts to Rs.1,55,20,000 only. Compute tax payable by the company for the previous year.
30. PQ associates are an AOP with two members P and Q sharing 3:2. Income of the AOP is Rs.18,00,000. Compute tax liability of AOP and the members in the following cases
 - (a) Income of P and Q from other sources Rs.2,00,000 and Rs.6,60,000 respectively
 - (b) Income of P and Q from other sources Rs.1,50,000 and Rs.2,50,000 respectively
31. Reliance co-operative society engaged in processing agricultural products of its members without using power furnishes the following particulars.
 - (a) Income from processing of agricultural produces-17,000
 - (b) Income from marketing of agricultural produces-3,000
 - (c) Dividend from a co-operative society-55,000
 - (d) Income from letting of godown-10,000
 - (e) Income from agency business-85,000Compute total income and tax payable.

(6 × 4 = 24 Marks)

PART – D

Answer **any two** questions in not exceeding **four** pages each. Each question carries **15** marks.

32. Explain the general powers of income tax authorities
33. Explain different types of income tax returns.
34. GE Ltd. Is a domestic company in which public are substantially interested. The following particulars of its income are given below

	Rs.
Interest on Govt. securities	20,000
Income from business	50,000
Short term capital gains	15,000
Long term capital gains	33,000
Dividend from a foreign company	10,000
Dividend from an Indian company	10,000
Book profit u/s 115 JB	Rs.16,00,000

Compute the net tax liability of the company.

35. The income and expenditure a/c of M/s Verma Associates, a firm of advocates for the year ended 31-03-2020 was as follows :

	Rs.		Rs.
General expenses	2,00,000	Consultancy charges	4,60,000
Salary of clerk	90,000	Special commission fee	40,000
Interest to partners	60,000	Sundry receipts	10,000
Remuneration to partners	3,80,000	Net loss	3,10,000
Donations	25,000		
Depreciation (car)	75,000		
Total	<u>8,20,000</u>		<u>8,20,000</u>

The firm has two partners and it fulfills the conditions of section 184. However, on scrutiny of the records the following matters were disclosed :

- (a) Of the expenses, Rs.1,20,000 is not genuine
- (b) Depreciation allowable is Rs. 30,000
- (c) Interest is allowed to partners at the rate of 20%
- (d) Salary to clerk is unreasonable to the extent of Rs.30,000

Compute Total Income and Tax Payable by the firm.

(2 × 15 = 30 Marks)