62223

Reg. No. | | | | | | | | |

III Semester M.B.A. (Day & Evening) Degree Examination, March/April - 2022

MANAGEMENT

Corporate Taxation For Managers

(CBCS Scheme 2019 onwards)

Paper : 3.2.2

Time : 3 Hours **Maximum Marks : 70**

Instructions to Candidates:

All sections are compulsory.

SECTION - A

Answer any **five** of the following, each question carries **five** marks. **(5×5=25)**

1. What are the provisions relating to amalgamation under tax planning?
2. Explain the different types of customs duty.
3. Having regards to the provisions of GST Act, 2017. Compute the transaction value of goods from the following information and GST payable.

Particulars	Amount (Rs.)
Listed selling price (including IGST of Rs. 5,000)	35,000
Following Transactions are not included :	-
Normal secondary packing cost	2,000
Cost of special packing	1,000
Cost of Durable and returnable packing	1,500
Freight charges paid by supplier charged separately	800
Insurance on freight paid by supplier charged separately	200
Trade Discount (normal practice)	2,000
Rate of GST (12%)	-

4. Explain the importance of Tax planning in the corporate sector.
5. Mr. N a trader selling raw material to a manufacturer of finished products. He imported the stock in trade as well as purchases the same from the local markets.
   Following transactions took place during the month of Aug. 2017.
   a. Cost of imported material from other state excluding tax at 5%. Rs. 50,000.
   b. Cost of local material including GST at 12% Rs. 1,68,000.
   c. Other expenses includes storage, transport, interest and loading and unloading charges and profit earned by him Rs. 52,000.

   Calculate the GST and invoice value charged by him to a manufacturer. Assume the rate of GST at 5% on sale.

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6. Mr. X a person of Indian Origin, aged about 45 years came to India on tour along with his baby aged 3 years. He carried with his following goods.

SL.No.	Particulars	Amount in Rs.
1	Personal effects like clothes of Mr. X	50,000
2	Unsed Personal effects of infant valued at	20,000
3	Laptop	80,000
4	2 litres of liquor	4,000
5	A new camera bought for	60,000
6	150 cigars cost	24,000
7	Air dryer from duty free shop	14,000

Calculate total value of Dutiable goods and total duty payable on baggage.

7. From the following information determine the depreciation allowance for the assessment year 2021-22.
   1. W.D.V. of Plant & Machinery on 1.4.2020 Rs. 6,00,000.
   2. P & M purchased on 15.05.2020 for production department Rs. 5,00,000.
   3. In June, 2020 the assesse purchased the following assets :
      i. Office Appliances Rs. 50,000.
      ii. Air conditioners for guest house Rs. 30,000.
      iii. Car Rs. 2,00,000.
   4. P & M Purchased on 10.11.2020 for production Department Rs. 1,50,000.

SECTION - B

Answer any **three** of the following, each question carries **ten** marks. **(3×10=30)**

8. Explain in detail the meaning and scope of supply under GST act.

9. A dealer in Hyderabad agreed to supply 10 laptops to a dealer in Bangalore in the month of Aug 2017 on following items.

Particulars	Amount (Rs.)
Price of the Laptop (inclusive of IGST at 18%)	47,200
Packing of transportation of laptop	5,000
Transportation of laptop	5,000
Commission paid to the agents to fix up agreement for the sale	10,000
Addition feature charges incurred by seller on request of buyer	20,000

The dealer supplied following optional items along with the laptop :

1. 10 pen drives supplied along with the laptop costing Rs. 600 each and rate of GST applicable is 18%.
2. 10 keypads supplied along with the laptop costing Rs. 300 each and rate of GST applicable is 12%.
3. 10 Optical mouse supplied along with the laptop costing Rs. 350 each and rate of GST applicable is 12%.

4. 3 Printers supplied along with the laptop costing Rs. 5,000 each and rate of GST applicable is 28% and
5. Special discount of Rs. 2,000 for each laptop is given, if advance of Rs. 2,00,000 is paid with order. The buyer has paid the advance with the order.

Find the Transaction value and the GST payable for the month of Aug. 2017.

10. Mr. Martin and Menon proposed to set up a business either as a partnership or as a private limited company, with capital contribution of Rs. 8,00,000 each. Profit of the business before charging their remuneration at Rs. 25,000 per month each and interest @12% p.a is estimated at Rs. 16,00,000. Profits after tax are proposed to be distributed equally as profit/ dividend. Advise them with appropriate working about the form of organization they should choose from the point of view of tax implication involved in each case, assuming that they have no income other than from the proposed business. Assume that the company is liable to pay income tax @25%+Surcharge+Health & Education cess.

11. Compute the Assessable value and customs duty payable from the following information:

i. F.O.B. value of Machine 10,000 K U.K. Pounds.
ii. Freight paid (air) 2,500 UK Pounds.
iii. Design & development charges paid in UK 500 UK Pounds.
iv. Commission payable to local agent @2% of FOB in Indian Rupees.
v. Rate notified by CBIC Rs. 68 per UK Pound,
vi. IGST 12% Plus Social Welfare Surcharge at applicable rate,
vii. Insurance charges - details not available.

SECTION - C

12. Answer the following (Compulsory Question) **(1×15=15)**

The following is the statement of Profit & Loss of B.Co. Ltd. For the year ended 31st March, 2021

Particulars	Note No	Figures as at the end of current reporting period
		Rs.
I. Revenue from operations :		
Domestic Sales		25,00,000
Export Sales		10,00,000
II. Other income		-----
III. Total Revenue (I+II)		35,00,000
IV. Expenses :		
Cost of Materials consumed		-
Changes in inventories of finished goods, work -in- progress and stock -in - Trade		-
Employees benefits expenses :		
Salaries and wages		3,00,000
Depreciation and amortization expenses		5,00,000

	Other Expenses :	
	Rent and rates	2,00,000
	Repairs	1,20,000
	Selling expenses	3,50,000
	Total Expenses	14,70,000
V.	Profit before tax (III-IV)	20,30,000
VI.	Tax Expenses :	
	Income Tax	3,60,000
VII.	Profit for the Period (V-VI)	16,70,000

Surplus Statement

Profit/Loss as per Last Balance Sheet (If Any)	-----
Current Year's profit	16,70,000
Add : Transfer from General Reserve	2,00,000
	18,70,000
Less : Appropriations :	
Proposed Dividend	2,70,000
Profit carried to balance sheet	16,00,000

Other Information

1. The company has long - term capital gain of Rs. 1,00,000 which is not added in Statement of Profit & Loss.
2. Foreign Exchange remittance Rs. 7,00,000.
3. Depreciation u/s 32 Rs. 4,50,000.
4. The company wants to set off the following :

	For Tax Purpose Rs.	For Accounting Purpose Rs.
Brought Forward Loss of 2018-2019	6,00,000	5,00,000
Unabsorbed Depreciation	3,00,000	3,00,000

You are required to compute :

i. Book Profit as per section 115 JB;
ii. Total income of the company.
iii. Tax liability of the company.