



11225

III Semester M.Com. Degree Examination, May/June 2023

(CBCS)

COMMERCE

Direct Tax Planning

Time : 3 Hours

Max. Marks : 70

SECTION – A

1. Answer **any 7** sub-questions out of ten questions. **Each** sub-question carries 2 marks. **(7×2=14)**
- What are the objectives of MAT ?
 - Specify any two tools of tax evasion.
 - Differentiate between Exemption and Deduction.
 - Mention any 4 inadmissible items while calculating taxable income from business of a company.
 - What is deemed dividend ?
 - Name any 4 intangible assets on which depreciation is allowable under IT Act, 1961.
 - What do you mean by Block of Assets ?
 - Give any 2 differences between Gross Total Income and Total Income.
 - What is Tax Free Government Security ?
 - Mention any 2 salient features of the company assessment.

SECTION – B

Answer **any 4** questions out of six questions. **Each** question carries 5 marks. **(4×5=20)**

2. Explain the steps for calculating relief in case of Double taxation.
3. Archita Ltd. had a Plant and Machinery having a W.D.V. of Rs. 25 lakhs on 1-4-2021. During the year, an additional machinery costing Rs. 10,00,000 was purchased on 31-8-2021. On 31-10-2021, fire had broken in the premises of the company destroying a considerable part of the plant and machinery. Insurance company paid damages Rs. 12,50,000. Calculate the amount of depreciation chargeable to P & L A/c for the year ended 31st March 2022. Will it make any difference if the entire block of plant destroyed ? Plant and Machinery is used in manufacturing industry. Rate of depreciation 15%.



P.T.O.



4. X limited has given the following information of its incomes and expenses for the financial year 2021-22.

- Taxable income from business is Rs. 83,000.
- Long term capital gain Rs. 4,10,000.
- Short term capital gain Rs. 39,000.
- The company incurred the following expenses (donations given).

Donation given to institutions

Amount of donation given in Rs.

• Prime Minister's National Relief Fund	4,000
• Clean Ganga project	3,000
• Furniture's given to a church	10,000
• An institution which is recognized u/s 80G	12,000
• Indira Gandhi Memorial Trust	5,000
• Donation to a poor boy for higher education	19,000

Compute allowable amount of deduction u/s 80G for the Assessment Year 2022-23.

5. Explain exempted assets under Section 5 of the wealth tax.
6. Explain the differences between tax planning and tax management.
7. Calculate TDS in the following cases for the AY 2022 – 23 :
 - a) Compensation for the acquisition of land Rs. 5,00,000.
 - b) Rent received Rs. 60,000 per month on building.
 - c) Amount from RPF on premature settlement Rs. 70,000.
 - d) Interest on deposits with a firm Rs. 28,000.
 - e) Amount paid to civil contractor X Ltd. Rs. 20,000 but the aggregate amount during the year exceeds one lakh rupees.
 - f) Commission on sale of house Rs. 80,000.
 - g) Interest on securities gross Rs. 22,000.





SECTION – C

Answer **any 3** questions out of five questions. **Each** question carries **12** marks. **(3×12=36)**

8. PQR Ltd., (Resident) earned a net profit of Rs. 14,25,000 after adjusting the following items to its Profit and Loss account for the year ended 31-3-2022.

Items debited to P/L account.

- a) Proposed dividend Rs. 90,000.
- b) Cultivation expenses Rs. 2,10,000.
- c) Provision in sale tax (paid before the due date) Rs. 1,00,000.
- d) Provision for loss of subsidiary Rs. 1,60,000.
- e) Provision for income tax Rs. 70,000.
- f) Provision and reserves Rs. 35,000.
- g) Expenses on purchase of equity share Rs. 15,000.
- h) Depreciation Rs. 4,40,000.
- i) Corporate dividend tax Rs. 75,000.

Items credited to P/L account.

- a) Agricultural income Rs. 2,20,000.
- b) Long term capital gain on sale of equity shares (listed) Rs. 4,30,000.
- c) Profits from speculation Rs. 1,00,000.
- d) Income from units of UTI Rs. 50,000.

Additional information :

- I) Depreciation include Rs. 2,00,000 on account of revaluation of fixed assets.
- II) Depreciation allowable as per I.T. rules is Rs. 3,60,000.
- III) Carried forward business loss and unabsorbed depreciation.

	Amount as per Books		Amount as per IT	
	Loss	Depreciation	Loss	Depreciation
2017 – 18	1,20,000	1,80,000	1,20,000	2,80,000
2018 – 19	1,30,000	2,00,000	1,80,000	1,50,000
2019 – 20	3,00,000	4,50,000	1,20,000	2,10,000

You are required to compute the tax payable by the company for the A.Y. 2022 – 23.



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9. a) Explain the provisions relating to setoff and carry forward of losses.
b) Mr. Ajay has the following estimated incomes for FY 2021 – 22.

- Salaries (Taxable) = 4,90,000
 - Income from HP (Taxable) = 1,20,000
 - Income from other sources – Interest on securities (Taxable) = 30,000
- Calculate advance tax installments.

10. Discuss the tax holidays and tax benefits available in respect of profits and gains from industrial undertaking or enterprise engaged in infrastructure development u/s 80 – IA.

11. Write a brief note on types of assessment and principles of Direct taxation.

12. The income and expenditure of M/s SNS Ltd. for the A.Y. 2022 – 23 is as follows :

- 1) Income from rice mill Rs. 1,50,000.
- 2) Income from steel company Rs. 1,90,000.
- 3) Profit of new industrial unit situated in Backward industrial state which was established in 2021 Rs. 85,000.
- 4) Income from Poultry farming which was started in November 2021 Rs. 1,00,000.
- 5) Short term capital loss Rs. 60,000.
- 6) Income from Royalty from Indian Company Rs. 75,000.
- 7) Dividend from a domestic company Rs. 50,000.
- 8) Long term capital gain Rs. 1,00,000.
- 9) Export business profit Rs. 3,00,000.

The company donated Rs. 50,000 to Chief Minister's Drought Relief Fund.
Compute Taxable Total Income.

