



K24U 0182

Reg. No. : .....

Name : .....

Sixth Semester B.Com. Degree (CBCSS – OBE – Regular/Supplementary/  
Improvement) Examination, April 2024  
(2019 to 2021 Admissions)

Core Course

6B16COM (FINANCE – IV) : CORPORATE TAX PLANNING

Time : 3 Hours

Max. Marks : 40

PART – A

Answer **any six** questions from the following. **Each** question carries 1 mark.

1. Define company u/s 2 (17).
2. What is tax planning ?
3. What is demerger ?
4. State any two differences between tax avoidance and tax evasion.
5. What do you mean by unilateral relief ?
6. What is foreign company ?
7. List any two tax planning for the employees.
8. What is tax management ?

(6×1=6)

PART – B

Answer **any six** questions from the following. **Each** question carries 3 marks.

9. Explain the tax incentives to demerged company.
10. What are the needs of tax planning ?

P.T.O.



11. Enumerate the possibilities of tax planning on residential status.
12. Explain the tax considerations in make or buy decisions.
13. Explain the tax benefits on conversion of a firm to a company.
14. Explain the tax planning provisions in respect of tea, coffee and rubber industry.
15. T Limited wants to raise capital of Rs. 20,00,000 for a Project where earning before tax shall be 40% of the capital employed. The company can raise debt fund @ 18% p.a. Suggest, which of the following 3 alternatives should it opt for :
  - a) Rs. 20,00,000 to be raised by Equity Capital.
  - b) Rs. 16,00,000 by Equity and Rs. 4,00,000 by Loans.
  - c) Rs. 4,00,000 by Equity Capital and 16,00,000 by Loans.Assume the company shall distribute the entire amount of profit as dividend and tax rate is 27.82%.
16. Mr. A wants to start a business. Keeping in view the following information suggest him whether he should run the business as a sole proprietary concern or a partnership firm :
  - 1) Estimated profit Rs. 12,00,000
  - 2) Capital of the business Rs. 10,00,000
  - 3) If he runs the business as partnership firm :
    - i) He will gift Rs. 5,00,000 to his son B, as a gift to contribute his share of capital.
    - ii) The firm will pay interest @ 12% p.a. to the partners.
    - iii) Salary to A Rs. 40,000 p.m. and to B, Nil, as he will be a dormant partner.
    - iv) Profit sharing ratio will be 3 : 2.

(6×3=18)



PART – C

Answer **any two** questions from the following. **Each** question carries **8** marks.

17. Explain the tax incentives to amalgamated company.

18. Mr. X has received offers from companies of Delhi for service as under :

	A (Rs.)	B (Rs.)
Basic Salary	6,50,000	4,40,000
HRA	–	48,000
Travelling Allowance (office to residence)	–	19,600
Contribution to approved superannuation fund by the employer	–	1,20,000
Mobile phone	–	22,400
	6,50,000	6,50,000

**Other information are :**

- 1) His qualifying savings u/s 80C will be Rs. 50,000.
  - 2) He will pay house rent Rs. 6,500 p.m.
  - 3) He needs a mobile phone for private purposes.
- Which offer should he accept and why ?

19. From the following information compute whether the assessee should purchase an asset or take on lease :

- 1) Cost of asset Rs. 1,00,000
- 2) Rate of depreciation 15%
- 3) Rate of interest 10%
- 4) Repayment of loan by the assessee Rs. 20,000 p.a.
- 5) Rate of tax 26%
- 6) Residual value Rs. 20,000 after 5 years.
- 7) Profit of the assessee Rs. 1,00,000 before depreciation, interest and tax / before lease rent and tax.
- 8) Lease rent Rs. 30,000 p.a.

(2×8=16)