



K26U 0099

Reg. No. :

Name :

**Sixth Semester B.Com. Degree (CBCSS – OBE – Regular/Supplementary/
Improvement) Examination, April 2026
(2020 to 2023 Admissions)**

CORE COURSE

6B16COM (Finance – IV) : Corporate Tax Planning

Time : 3 Hours

Max. Marks : 40

**PART – A
(Very Short Answer)**

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

1. What is tax planning ?
2. What is MAT ?
3. What is meant by Make or Buy Decision ?
4. What is double taxation ?
5. What is locational aspect in tax planning ?
6. What is Slump Sale ?
7. What is business restructuring ?
8. What is Deemed Dividend ?

(6×1=6)

**PART – B
(Short Essay)**

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

9. ABC Ltd. requires ₹ 10,00,000 for expansion where earnings before tax shall be 30% of the capital employed. The company can raise funds either by issuing equity shares or 12% debentures.

Assume the company shall distribute the entire amount of profit as dividend and the corporate tax rate is 30%.

Calculate the post-tax cost of debentures and dividend and state which source of finance is more tax-advantageous.

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10. What is meant by Deemed Dividend ? State any two situations where dividend is treated as deemed dividend.
11. Explain the tax treatment of bonus shares and rights shares.
12. Explain the tax planning measures involved in the conversion of a partnership firm into a company.
13. Define demerger. State any two tax benefits of demerger.
14. Explain how corporate reorganization can help in tax planning for companies.
15. What is amalgamation of companies ? Discuss its basic tax implications.
16. What is transfer of assets during corporate restructuring ? Explain its tax implications. (6×3=18)

PART – C
(Long Essay)

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

17. Discuss corporate tax in India. Explain the residential status of companies and examine how tax incidence affects corporate tax liability.
18. From the following information, determine whether the assessee should purchase an asset or taken on lease.

Cost of asset Rs. 1,00,000

Rate of Depreciation 15%

Rate of interest 10%

Repayment of loan by the assessee Rs. 20,000 p.a.

Rate of tax 26%

Residual value Rs. 20,000 after five years

Profit of the assessee Rs. 1,00,000 before depreciation, interest and tax or before lease rent and tax.

Lease rent Rs. 30,000 p.a.

19. Discuss the tax planning measures available to an employer while structuring employee remuneration. (2×8=16)