

44002

M.Com. DEGREE EXAMINATION, APRIL 2018.

FOURTH SEMESTER

Paper II — TAX PLANNING AND MANAGEMENT

Time : Three hours

Maximum : 75 marks

(No additional sheet will be supplied)

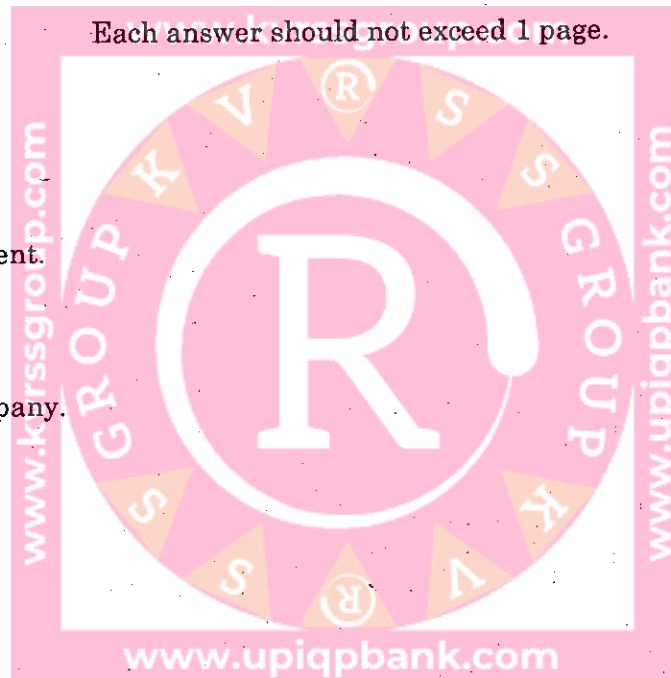
SECTION A — (5 × 3 = 15 marks)

Answer any FIVE questions.

Each question carries 3 marks.

Each answer should not exceed 1 page.

1. Types of taxes.
2. Tax evasion.
3. Ordinarily Resident.
4. Perquisites.
5. Widely-held company.
6. Incidence of tax.
7. GST.
8. Input tax credit.



SECTION B — (4 × 15 = 60 marks)

Answer ALL questions.

Each question carries 15 marks.

Each answer should not exceed 6 pages.

9. What are the objectives of tax laws? Explain the advantages and disadvantages of taxation.

Or

10. Explain tax management. Distinguish between tax evasion and tax avoidance.

11. What are the different types of residents? State the conditions fulfilled to determine the residential status.

Or

12. Mr. Rajeev furnished the following details of his income for the financial year 2016-17:

- Salary Rs. 75,820 p.m.
- Dearness Allowance Rs. 22,746 p.m.
- Entertainment Allowance Rs. 1,200 p.m.
- Employer's and employee's contribution to RPF Rs. 24,000 each.
- Interest from provident fund @ 95% pa. Rs. 19,000
- City Compensatory Allowance Rs. 200 p.m.
- Medical Allowance Rs. 10,000
- He has been provided with the facility of an unfurnished house by the employer in a town (population less than 10 lakh) for which the employer charging Rs. 1,500 p.m. The fair rent of the house is Rs. 96,000 per annum. The house is owned by the employer.

Compute the taxable income under the head salary for the assessment year 2017-18.

13. Define company. State the features and types of a company.

Or

14. The particulars submitted below, find out the total income of PQR Co. Ltd. for the assessment year 2017-18.

	Rs.		Rs.
To Opening Stock	52,400	By Sales of Sugar	21,52,500
To Cane purchase	14,75,200	By Transfer fees	300
To Manufacturing expenses	3,59,000	By Rent of agricultural land	1,01,000
To Salaries and wages	45,500		
To General expenses	8,500		
To Commission & brokerage	36,400		
To Interest on loan	8,500		
To Director's fee	1,200		
To Income tax	35,800		
To Reserve for bad debts	19,500		
To Depreciation	69,000		
To Provision for dividends	30,000		
To Net profit	1,12,800		
	22,53,800		22,53,800

Other information.

(a) General expenses include :

- (i) Rs. 1,000 as donation to a hospital;
- (ii) Rs. 1,000 subscription to sugar syndicate;
- (iii) Rs. 2,600 commission to broker for arranging a loan for the company; and
- (iv) Rs. 2,000 paid to a director for a trip to Hyderabad to study modern methods in Chocolates manufacture.

(b) The actual bad debts amounted to Rs. 6,000.

(c) Depreciation is Rs. 72,000.

15. What are the types of GST? Discuss the advantages and disadvantage of GST.

Or

16. Describe the comprehensive structure of GST model in India.

