



**III Semester M.B.A. Degree Examination, May/June 2023
(CBCS Scheme)
MANAGEMENT**

Corporate Tax Planning and Management

Time : 3 Hours

Max. Marks : 70

SECTION – A

Answer **any five** questions, **each** carries **5** marks.

(5×5=25)

1. Enumerate on the concept of place of supply of goods and services in case of Inter-state and Intra-state.
2. Discuss the valuation rules for imported goods.
Compute the tax payable by a company for the A.Y. 2022-23, if it is Rs. 8,00,000 and book profit is Rs. 30,00,000.
3. What is GST registration ? Who should obtain it ?
4. What is input tax credit with example ?
5. Mr. Madan is a registered dealer in Jaipur. From the following particulars, find out payable on outwards supply :
 - a) Chocolates not containing cocoa worth Rs. 2,04,000 sold to a registered dealer at Punjab (18%).
 - b) Mineral water worth Rs. 2,20,000 were transferred to their branch at Kolkata (18%).
 - c) Ayurvedic medicines worth Rs. 1,64,800 are sold to the registered dealer of MP (5%).
 - d) Skimmed milk powder worth Rs. 54,000 are sold to the registered dealer of UP (5%).
 - e) Goods amounting to Rs. 3,10,000 were sold to firm of London in the course of export outside India.
6. What is tax planning ? What are uses of tax planning ?
7. What is custom duty ? Explain computation of custom duty.

P.T.O.



SECTION – B

Answer **any three** questions, **each** carries **10** marks.

(10×3=30)

8. Mr. A imports by air from USA a gear cutting machine complete with accessories and spares. The value US \$ FOB 20,000 and other relevant information are given below.

- ✓ At the request of the importer US \$ 1000 have been incurred for improving the design etc. of machine, but is not reflected in the invoice, but will be paid by the party.
- ✓ Freight US \$ 6000.
- ✓ Goods are insured but premium is not shown/available in invoice.
- ✓ 4 Commission to be paid to local agent in India ₹ 45,000.
- ✓ 5 Freight and insurance from airport to factory is ₹ 45,000.
- ✓ 6 Exchange Rate is US \$ 1 = ₹ 80.
- ✓ Duties of customs : BCD – 15% Social welfare Surcharge @ 10% on the duty as applicable and CGST @ 18%.

Compute :

- a) Assessable value
- b) Customs duty.

9. X Transport company imported Rolls Royce car for the purpose of providing output services by way of transportation of passengers. Following are the cost and other details :

Particulars	Amount (INR)
Cost of vehicle (Assessable value)	3,00,00,000
Custom duty	10%
IGST	28%
Compensation cess	20%

X Transport company is eligible to take Input tax credit and have output IGST liability of INR 120 Lakh. Calculate tax liability towards Custom duty and GST liability Critically.



10. Differentiate Tax Planning, Tax Evasion and Tax Avoidance with relevant examples.
11. Write a note on the following :
- a) Reverse Charge Mechanism.
 - b) Transfer Pricing.
 - c) Registration under GST.
 - d) Input Tax Credit.

SECTION – C

Compulsory Question :

(15x1=15)

12. SONA Ltd., a Resident Company, earned a profit of Rs. 15 lakhs after debit/credit of the following items to its statement of profit and loss.

Dr. Particulars	Rs.	Particulars	Cr. Rs.
Provisions for the loss of subsidiary	70,000	Profit from unit established in special economic zone	5,00,000
Provisions for doubtful debts	75,000	Share in income of an AOP as a member	1,00,000
Provision for income tax	1,05,000	Income from units of UTI	75,000
Provision for gratuity based on actuarial valuation	2,00,000	Long term capital gains	3,00,000
Depreciation	3,60,000		
Interest on financial institution (Unpaid before filing of return)	1,00,000		
Penalty for infraction of law	65,000		
	9,75,000		9,75,000



Other information :

- a) Depreciation includes Rs. 1,50,000 on account of revaluation of fixed assets.
- b) Depreciation as per income tax rules is Rs. 2,80,000.
- c) Balance of statement of profit and loss shown in balance sheet at the asset side was Rs. 10,00,000 which includes unabsorbed depreciation of Rs. 4,00,000.
- d) The capital gain has been invested in specific assets under Section 54EC.
- e) The AOP, of which the company is a member, has paid tax at minimum marginal rate.
- f) Provisions of income tax include Rs. 45,000 of interest payable on income tax.

Compute minimum alternate tax under Section 115JB of the Income Tax Act, 1961.

Particulars	Rs.
Profit from unit established in special economic zone	70,000
Share in income of an AOP as a member	75,000
Income from units of UTI	1,05,000
Long term capital gains	2,00,000
	3,50,000
	8,80,000
	1,00,000
	85,000
	9,75,000