

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA - SEMESTER-III • EXAMINATION – SUMMER • 2014

Subject Code: 830201

Date: 29-05-2014

Subject Name: Corporate Taxation and Financial Planning (CT&FP)

Time: 14:30 pm – 17:30 pm

Total Marks: 70

Instructions:

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

Q.1 (a) An individual may have any of the three residential status. Explain in detail the conditions to determine the same? **07**

(b) Write a short note on Section 80C. **07**

Q.2 (a) Define the terms: (1) Assessment Year & Previous Year (2) Person (3) Gross Total Income (4) Industrial Company (5) Agricultural Income (6) Surcharge (7) Foreign Income **07**

(b) Explain in brief the five head of Income for charge of Income tax under “Income Tax Act” **07**

OR

(b) What are the five bases (Condition) for charge of Income Under the head “Capital Gains”? **07**

Q.3 (a) What do you mean by Tax Planning? Distinguish: Tax Avoidance and Tax Evasion. **07**

(b) Mr X (age 42 years) is a salaried employee (Salary being Rs 40,000 per month). During the previous year 2009-10, he makes the following investment deposits or payment- **07**

- a. Life insurance premium on the life of his married daughter : Rs 6000 (Sum assured : Rs 20,000)
- b. Life insurance premium on his own life : Rs 2700 (sum assured : Rs 60,000)
- c. Life insurance premium of his dependent sister : Rs 10,000
- d. Contribution towards recognized provident fund : Rs 9000
- e. Contribution towards public provident fund : Rs 30,000
- f. Repayment of loan taken from LIC for purchase of residential house property : Rs 30,000
- g. Contribution towards notified equity – linked saving scheme of UTI : Rs 14,000

Find out the tax liability of Mr. X for the assessment year 2010-11 assuming that income from house property is Rs 18,600.

OR

Q.3 (a) Explain the Taxation & Financial Planning with respect to managerial decision “Make or Buy” **07**

(b) Discuss the provisions regarding set-off and carry forward of losses. **07**

Q.4 (a) Explain the tax treatment of various types of provident fund. **07**

(b) Explain the taxation and financial planning with respect to function of financial Management “Capital Structure” **07**

OR

Q.4 (a) Explain the provisions of Income tax for clubbing of Income **07**

(b) What do you mean by Block of Assets as per Sec 2(11) of Income Tax Act? Explain. **07**

- Q.5 (a)** Explain the Tax planning with respect to form of business organization. **07**
(b) What is regarded as “income” under the Income Tax Act ? **07**
- OR**
- Q.5 (a)** State meaning of “Amalgamation” under the Income Tax Act and conditions for a merger to qualify as “Amalgamation” for the purpose of Income Tax Act. **07**
(b) Discuss the implications of Direct Tax code on various Indian Sectors in brief. **07**
