Seat No.: ________ Enrolment No.___________

GUJARAT TECHNOLOGICAL UNIVERSITY

MBA – SEMESTER – (3) • EXAMINATION – WINTER 2017

Subject Code: 830201 **Date: 06/JAN/ 2018**

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

Time: 10:30 to 01:30 **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) Define the terms: (1) Assessment Year & Previous Year (2) Person (3) Gross Total Income (4) Assessee (5) Agricultural Income (6) Surcharge (7) Foreign Income **07**

Q.2 **(a)** Enlist at least 7 incomes which are exempt from tax. **07**

(b) The employer of X gives following two options for his appointment in Mumbai: **07**

	Option 1 (Rs.)	Option 2 (Rs.)
Basic pay	9,60,000	9,60,000
Bonus	3,00,000	3,00,000
Education allowance for 2 children	30,200	----
Reimbursement of fees for 2 children in a school which is not owned / maintained by the employer	----	30,200
Sweeper allowance	40,000	----
Free sweeper	----	40,000
Entertainment Allowance	60,000	----
Club facility	----	60,000
Transport allowance for personal use	30,000	----
Free car (1200 cc) facility for personal use (car owned by employer)	----	30,000
Medical allowance	18,000	----
Medical facility for X and his family members	----	18,000
Allowances for gas, electricity & water supply	4,500	----
Free gas, electricity & water supply	----	4,500
Holiday home allowance	15,000	----
Holiday home facility	----	15,000
Lunch allowance	18,000	----
Free Lunch (Rs. 70 * 200 days + Rs. 800 * 50 days)	----	18,000
Diwali gift allowance	11,000	----
Gift on diwali	----	11,000
A rent free unfurnished house: Lease rent	2,00,000	2,00,000

Which of the two options X should opt to minimize tax bill?

OR

(b) Explain the tax treatment of various types of provident fund. **07**

Q.3	**(a)**	Discuss the provisions regarding set-off and carry forward of losses.	**07**
	(b)	What is significance of location of business with respect to tax planning?	**07**

OR

Q.3	**(a)**	Explain tax planning implications with reference to Employee Remuneration.	**07**
	(b)	Highlight the differences between Tax Planning, Tax Avoidance and Tax Evasion.	**07**
Q.4	**(a)**	Discuss the provision of Scientific Research under section 35 D of the Income tax Act.	**07**
	(b)	Explain the Book profit concept and its calculations according to MAT provisions of Income tax act.	**07**

OR

Q.4	**(a)**	Discuss tax benefits of amalgamated and amalgamating companies in respect of amalgamation.	**07**
	(b)	Explain the concept of Tax Deducted at Source. Explain the difference between Tax Deducted at Source and Tax Collected at Source.	**07**
Q.5	**(a)**	Discuss tax planning aspects of "Make or Buy" decision	**07**
	(b)	Explain the concept of Avoidance of Double Taxation Agreement with an explanatory example.	**07**

OR

Q.5	**(a)**	Explain the provisions of Income tax for clubbing of Income	**07**
	(b)	State the implications of repairs and renewal or replacement decisions to be undertaken from the view point of tax planning?	**07**

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