



K20P 0147

Reg. No. :

Name :

IV Semester M.Com. Degree (CBSS-Reg./Suppl./Imp.) Examination, April 2020
Elective A : Finance
(2017 Admission Onwards)
COM4E04 : CORPORATE TAX MANAGEMENT AND GST

Time : 3 Hours

Max. Marks : 60

SECTION – A

Answer **any four** questions in this Section. **Each** question carries **1** mark for Part (a), **3** marks for Part (b) and **5** marks for Part (c).

1. a) What are services as per GST ?
b) What will be the time of supply under Reverse Charge Mechanism ?
c) Differentiate between SGST, CGST and IGST.
2. a) What is tax management ?
b) What are the limitations of tax planning ?
c) Trapti Limited wants to raise capital of Rs. 20,00,000 for a project where earnings before tax shall be 40% of the capital employed. The company can raise debt fund @ 18% p.a. Suggest, which of the following 3 alternatives should it opt for :
 - 1) Rs. 20,00,000 to be raised by Equity Capital.
 - 2) Rs. 16,00,000 by Equity and Rs. 4,00,000 by loans.
 - 3) Rs. 4,00,000 by Equity Capital and Rs. 16,00,000 by loans.Assume the company shall distribute the entire amount of profit as dividend and tax rate is 27.82% and dividend tax is 17.472%.
3. a) Define the word 'charitable purpose'.
b) What are the different types of trust ?
c) The income of a Co-operative Society for the previous year is as under
Income from business – 5,000
Income from processing the agriculture produce to its members (without the aid of power) – 6,000
Income from fishing and allied activities – 4,000
Income from interest of securities (Gross) – 2,500
Income from house property (Computed) – 2,300
Compute the total income of the society and tax payable by it for the Assessment Year 2019-20.

P.T.O.



4. a) What do you mean by re-assessment ?
 b) Explain any three functions of GST Council.
 c) From the information determine the tax payable u/s 115-O by a domestic company on dividend distributed by it :
- 1) It received dividend from its subsidiary company (which paid dividend distribution tax u/s 115-O) Rs. 3,00,000 on 10/11/2018.
 - 2) It distributed dividend Rs. 28,00,000 on 15/12/2018 to its shareholders. Out of Rs. 28,00,000 the company paid dividend Rs. 5,00,000 to a person on behalf of the New Pension System Trust.
5. a) How a company became resident in India ?
 b) Estimated Total Income of a domestic company for the financial year 2019-20 is Rs. 1,02,00,000. Determine the amount of advance tax payable.
 c) Explain the general principles of imposing penalty. (4×9=36)

SECTION – B

Answer **any two** questions in this Section. **Each** question carries **12** marks.

6. a) Explain any 12 payments on which Tax is Deducted at Source.

OR

- b) The Statement of Profit and Loss of X Ltd., a domestic company, for the year ended 31st March 2019 is given below.

Statement of Profit and Loss (for the year ended 31st March, 2019)

Particulars	Note No.	Figures as the end of current accounting period
I. Revenue from operations		30,50,000
II. Other Income LTCCG		5,70,000
III. Total Revenue (I + II)		36,20,000
IV. Expenses :		
Cost of materials consumed		10,00,000
Purchases of stock in trade		–
Changes in inventories		–
Employee benefit expenses		–
Other expenses :		
Expenses related to sale of other goods		8,20,000
Provision for unascertained liabilities		40,000
Total Expenses		18,60,000
V. Profit before tax (III – IV)		17,60,000
VI. Tax expenses :		
Income tax paid		75,000
VII. Profit for the period (V-VI)		16,85,000



Notes to Accounts

Surplus Statement

Profit or Loss as per Balance Sheet		—
Current Year Profit		16,85,000
Add: Transfer from General Reserve		20,000
		17,05,000
Less : Appropriations :		
Proposed dividend	8,05,000	
Transfer to General Reserve	60,000	8,65,000
Balance of Profit carried to Balance Sheet		8,40,000

Other relevant information are as follows :

- a) An outstanding liability related to VAT for 2016-17 paid during 2018-19 Rs. 50,000 which was not charged to above Statement of Profit and Loss.
- b) Brought forward loss as per books of account is Rs. 60,000 while brought forward depreciation as per books of account is Rs. 80,000.
- c) Brought forward unabsorbed depreciation is Rs. 4,60,000.
- d) Brought forward loss under the head capital gains Rs. 3,50,000.

Compute the tax liability of X Ltd. for the Assessment Year 2019-20.

7. a) Explain in detail about general powers of Income Tax Authorities.

OR

- b) During the previous year 2018-19 there was a profit of Rs. 60,000 to an AOP after charging salary, bonus and interest on capitals to its members. Taxable income of an AOP for the same period from house property and long term capital gain was Rs. 1,40,000 and 12,000 respectively. There are three members A, B and C sharing profits and losses in 5 : 3 : 2 ratio and their income from business and profession for the Assessment Year 2019-20 is Rs. 1,35,000, Rs. 1,86,000 and Rs. 1,70,000 respectively.

In addition to it AOP paid Rs. 6,000, Rs. 10,000, Rs. 14,000 as interest on capital to A, B and C respectively. Salary paid to A was Rs. 16,000 and bonus paid to B was Rs. 5,000 in this period. Find total income and tax liability of AOP and members.

(2×12=24)