

FOURTH SEMESTER B.Com DEGREE EXAMINATION, APRIL 2023

(Regular/Improvement/Supplementary)

B.Com Professional

GBCP4B15T: BUSINESS AND CORPORATE TAXATION

Time: 3 Hours

Maximum Marks: 80

PART A: Answer all the questions. Each carries one mark.

Choose the correct answer.

1. The number of days required to satisfy the second additional condition for the determination of residential status of an individual is.....
 - A) 720
 - B) 730
 - C) 182
 - D) 365
2. Which of the following profit is calculated to consider the allowable remuneration of partnership firms?
 - A) Notional Profit
 - B) Gross Profit
 - C) Book Profit
 - D) Net Profit
3. The popular name of a company in which public are substantially interested is called.....
 - A) Widely held company
 - B) Closely held company
 - C) Public company
 - D) Domestic company
4. The exemption limit of taxation of a company is.....
 - A) Nil
 - B) 2,00,000
 - C) 3,00,000
 - D) 4,00,000
5. Which of the following deductions can be claimed by a co-operative society?
 - A) 80 C
 - B) 80 D
 - C) 80 DD
 - D) 80 G

Fill in the Blanks.

6. The tax rate of LTCG of an associate of person is
7. company means a company formed and registered under the Companies Act, 2013.
8. In order to have substantial interest in the affairs of a company one needs to have not less than..... percent of voting power.
9. trust is created for a large group i.e., the public at large.
10. assessment means the assessment made on the basis of evidence or best judgement assessment.

(10 × 1 = 10 Marks)

PART B: Answer any eight questions. Each carries two marks.

11. The total income of a partnership firm is Rs. 5,00,000 including LTCG of Rs. 1,00,000. Compute its tax liability.
12. Write the provisions of residential status of HUF.
13. What is the tax rate applicable to AOP?

(PTO)

14. State the various schools of HUF.
15. What are the various kinds of companies?
16. State the tax rate of trusts.
17. List out any four features of co-operative society.
18. State the various kinds of statuses which can be claimed by HUF.
19. Discuss the incidence of tax of companies.
20. The book profit of a company for the PY is Rs. 10,00,000. Its total income for the same period is Rs. 4,00,000. Find out its tax liability.

(8 × 2 = 16 Marks)

PART C: Answer any six questions. Each carries four marks.

21. Explain the provisions of remuneration of partners in a firm under Section 40(b).
22. Discuss the provisions of set off and carry forward of losses of company assessee.
23. Explain the provisions of deductions applicable to co-operative societies under Section 80P.
24. From the following information, calculate total income of HUF for the PY 2021-22.

(a) Income from business	Rs. 6,00,000
(b) Annual rental value of the property let	Rs. 10,000
(c) Municipal taxes paid	Rs. 2,000
(d) Dividend	Rs. 3,000
(e) Share of profit from a firm	Rs. 60,000
(f) Donation to charitable trust (Approved)	Rs. 80,000
(g) LTCG	Rs. 50,000

25. The P&L A/C of M/s Beta for the year ended 31st March 2022 is given below.

To Stock	1,30,000	By Sales	4,50,000
To Purchases	1,50,000	By Stock	25,000
To Penalties and Fines	59,000	By Rent from HP	12,000
To Office Expenses	6,000		
To Selling Expenses	8,000		
To Interest to Partners	6,000		
To N/P	1,28,000		
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	4,87,000		4,87,000
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- (a) Interest of Rs. 6,000 @ 8% has been paid X on capital.
 - (b) Penalties and fines are due to illegal purchase of raw materials.
 - (c) Remuneration payable to partners: X Rs. 2,00,000 and Y Rs. 1,00,000 has not been debited to P&L A/C.
 - (d) X and Y are equal partners.
- Compute total income of the partnership firm.

26. The following information is relating to an AOP, in which Raja, a member who is liable to tax on his other income. Compute its tax liability for the PY 2021-22.

(a) Income from HP	Rs. 1,20,000
(b) LTCG	Rs. 1,00,000
(c) Lottery Winnings (Gross)	Rs. 2,00,000

27. Compute total income and tax liability of a Co-operative Society for the Assessment Year 2022-23.
- Income from HP Rs. 2,300
 - Income from processing of agricultural produce of its members (without the aid of power) Rs.6,000
 - Income from fishing and allied activities Rs. 4,000
 - Income from other business Rs. 5,000
 - Interest on securities (Gross) Rs. 2,500
28. Following is the information relating to MD Charitable Trust. Compute its taxable income for the PY 2021-22.
- Voluntary contribution Rs. 70,000
 - Income from property held for charitable purpose Rs. 10,00,000
 - Utilisation of income during the year 2021-22:
 - Construction of orphanage building Rs. 5,00,000
 - For charitable purpose outside India Rs. 60,000
 - For charitable purpose in India Rs. 1,00,000
 - Donation to another charitable trust Rs. 50,000
 - Income tax paid during the year Rs. 25,000
 - The trust has not applied for option under Section 11(1). (6 × 4 = 24 Marks)

PART D: Answer any two questions. Each carries fifteen marks.

29. Discuss the various kinds of returns as per the provisions of Income Tax Act.
30. From the following information compute total income of Mr. Sethu Ram for the PY 2021-22.
- Salary Rs. 4,00,000
 - Bonus Rs. 18,0000
 - Leave travel concession received Rs. 5,000
 - Facility of Indian home maintained by employer. On this account Mr. Sethu Ram saved Rs. 10,000
 - Free use of small car for self and family exclusively provided by the employer:
 - Depreciation Rs. 12,000
 - Maintenance expense Rs. 10,000
 - Salary of the Chauffeur Rs. 12,000
 - Profit of a business of packaging of milk products commenced in 2019-20 Rs. 40,000
 - His share of income from a firm Rs. 20,000
 - Dividend on shares transferred to wife without consideration Rs. 11,000
 - Interest on deposit made by his wife out of dividend income received by her on shares mentioned in (h) above Rs. 1,000
 - Insurance commission received on 1.5.2022 from LIC Rs. 42,750 (net)
31. Following information is supplied by a private limited (domestic company in which public are substantially interested) for the previous year 2021-22. Compute taxable income of the company.
- Business profit after deduction of donation given to an approved charitable institution Rs. 2,00,000.
 - Book Profit Rs. 6,00,000
 - Donation paid by cheque to a charitable institution Rs. 30,000
 - LTCG Rs. 6,00,000
 - Interest on Govt. securities Rs. 12,000
 - Dividend from a domestic company (gross) Rs. 25,000

(2 × 15 = 30 Marks)