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**PRESIDENCY UNIVERSITY  
BENGALURU**

**SET B**

**SCHOOL OF COMMERCE  
END TERM EXAMINATION - JAN 2024**

**Semester :** Semester V - 2023 - 24 - BCM - 2021

**Course Code :** COM3035

**Course Name :** Sem V - COM3035 - Corporate taxation

**Program :** BCM

**Date :** 11-JAN-2024

**Time :** 1:00 PM - 4:00 PM

**Max Marks :** 100

**Weightage :** 50%

**Instructions:**

- (i) Read all questions carefully and answer accordingly.
- (ii) Question paper consists of 3 parts.
- (iii) Scientific and non-programmable calculator are permitted.
- (iv) Do not write any information on the question paper other than Roll Number.

**PART A**

**ANSWER ALL THE QUESTIONS**

**5 X 2M = 10M**

1. Y Ltd. is a company incorporated in Mauritius (turnover more than Rs. 50 crore). It has 10 shareholders who are Indian citizens and resident in India. The company has active business outside India and is controlled wholly from outside India by a team of professionals. What is the residential status of Y Ltd. for the assessment year 2023-24.  
(CO1) [Knowledge]
2. Describe the term "Restricted Donation" under section 80G of Income Tax Act.  
(CO2) [Knowledge]
3. Define Book Profit.  
(CO3) [Knowledge]
4. Illustrate any two objectives of cooperative society.  
(CO4) [Knowledge]
5. Write a short note on Advance Payment of Tax.  
(CO5) [Knowledge]

**PART B**

**ANSWER ALL THE QUESTIONS**

**5 X 10M = 50M**

- 6. Mr. Sudhir, Submits the following information relevant for the AY: 2023-24**

Particulars	Profit	Loss
<b>Income from salary</b>		
Salary Income Computed	₹ 84,000.00	
<b>Income for House Property (Computed )</b>		
House X	₹ 30,000.00	
House Y		₹ 34,000.00
House Z		₹ 42,000.00
<b>Profits and Gain of Business or Profession</b>		
Business A	₹ 16,000.00	
Business B		₹ 20,000.00
Business C (Speculation)	₹ 22,000.00	
Business D (Speculation)		₹ 46,000.00
<b>Capital Gains</b>		
STCG	₹ 12,000.00	
STCL		₹ 56,000.00
LTCG	₹ 25,000.00	
<b>Income from other sources</b>		
Income form card games	₹ 38,000.00	
Income from Betting	₹ 30,000.00	
Loss From Card Games		₹ 14,020.00
Loss of maintainance of race house		₹ 12,000.00
Interest on Securities	₹ 8,000.00	

**Compute the Gross Total Income of Sudhir for the AY: 2023-24**

(CO1) [Comprehension]

- 7. An Assessee, received the following incomes during the Financial Year 2023-24**

Particulars	Amount
	₹
Income from house property	1,25,000.00
	₹
Business Income	9,00,000.00
Long Term Capital Gains from sale of shares	₹ 55,000.00
Short Term Capital Gains from sale of shares	₹ 35,000.00

The assessee made the following payments for donations during the year

Donated to Maharashtra Chief Minister's Earthquake Relief Fund	₹ 25,000.00
Donation to Prime Minister's Drought Relief Fund	₹ 35,000.00
Donated to The National Blood Transfusion Council or any State Blood Transfusion Council	₹ 20,000.00
<i>Donation to Indira Gandhi Memorial Trust</i>	₹ 45,000.00
Local authority to promate family planning	₹ 18,000.00
Charitable Trust (Approved)	₹ 65,000.00
Donated to promote indian olyampic Association	₹ 15,000.00
Donated to Temples and Churches	₹ 50,000.00
Donated to National Defense Fund set up by the Central Government	₹ 20,000.00
Donated to The Andhra Pradesh Chief Minister's Cyclone Relief Fund	₹ 5,000.00

Compute the Assessee's total income

(CO2) [Comprehension]

8. Sun Ltd, a company in which the public are substantially interested, has furnished to you the following particulars for its assessment in respect of its previous year ended on 31st March 2023.

Particulars	Amount
<b>1. New industrial undertaking in backward district "A" Category production commenced on 01.04.2022</b>	
a. Profit before allowing depreciation	₹ 50,000.00
b. Depreciation admissible	₹ 40,000.00
<b>2. Old Manufacturing Business</b>	
a. Profit before allowing depreciation	₹ 1,50,000.00
b. Depreciation admissible	₹ 40,000.00
<b>3. Speculation Business - Profit / Loss</b>	
a. Oil - Loss	₹ 80,000.00
b. Cotton - Profit	₹ 40,000.00
<b>4. Agency business loss b/f 2001-2002</b>	₹ 20,000.00
<b>5. Profit / Loss on sale of assests</b>	
a. Log-term (indexed) profit	₹ 1,00,000.00
b. Shor-term Loss	₹ 60,000.00

You are required to compute the total income of assessee company for the assessment year 2023-24 indicating the reasons for your answer. The company has distributed dividend of an amount of Rs. 70,000 on 16th September 2021.

(CO3) [Comprehension]

9. RBL Cooperative Society Ltd., Manipur had the following income during the year ended 31st March 2023

Particulars	Amount
Income from the canteen	15000
Income from the cottage Industry	53000
Income from the general merchandise business	48000
Income from credit facilities given to members	16000
Income from Marketing of agriculture Produce	15000
Income from supplying milks and Oilseeds	14000
Interest on Government Securities	10000
Taxable income from house property	15500
Dividend from other cooperative society	9500

**Determine the Gross Total Income, the total income and tax liability of the society for the assessment year 2023-24**

(CO4) [Comprehension]

10. The CBDT provides inputs for the policy and planning of direct taxes in India and is also responsible for the administration of direct tax laws through the IT Department. With reference to the above statement, Explain the powers of CBDT

(CO5) [Comprehension]

**PART C**

**ANSWER ALL THE QUESTIONS**

**2 X 20M = 40M**

**11. a)**

**From the following particulars Compute the Total Income of Mr. David for the Assessment Year 2023-24**

<b>Particulars</b>	<b>Amount</b>
Loss form house property	-₹ 10,000.00
Short Term capital gain on sale of shares	₹ 1,05,000.00
Long Term capital loss on sale of bonds	-₹ 85,000.00
Interest on Government Securities	₹ 10,000.00

The assessee Has unabsorbed depreciation of Rs. 25,000 being bought forward from 2020-21. Assessee had closed the business and all the assests have been disposed of.

and

**b)**

An Assessee, received the following incomes during the Financial Year 2023-24

<b>Particulars</b>	<b>Amount</b>
Income from house property	₹ 25,000.00
Business Income	₹ 6,80,000.00
Long Term Capital Gains from sale of shares	₹ 50,000.00
Short Term Capital Gains	₹ 10,000.00

The assessee made the following payments for donations during the year

National children welfare fund	₹ 6,000.00
PM Nationak Relief fund	₹ 7,000.00
National Defence fund	₹ 6,000.00
PM Drought fund	₹ 8,000.00
Local authority to promate family planning	₹ 10,000.00
Public charitable trust	₹ 1,20,000.00

Compute the Assessee's total income

(CO1,CO2) [Application]

- 12. Following is the P&L A/c of Ashwin Kumar for the year ending 31st March 2023. You are required to ascertain his income for the year ended 31st March 2023.**

Particulars	Amount	Particulars	Amount
To Salaries	7,800	By Gross Profit	35,672
To Sundry Expenses	1,200	By Discount	751
To Reserve for Bad Debts	3,000	By Commission	1,205
To Insurance	450	By Sundry Receipt	52
To Advertising	2,500	By Import Licence	20,000
To Income Tax	2,375		
To Loss on Sale of Car	1,200		
To Interest on Capital	1,000		
To Interest on Bank Loan	1,550		
To Charity	150		
To Taxation Reserve	3,000		
To LIC Self	550		
To Loss of building by Fire	1,500		
To Paid to University for Research	10,000		
To Depreciation on Building	1,000		
To Depreciation on Furniture	200		
To Difference in Trail Balance	105		
To Net Profit	30,100		
	57,680		57,680

You are required to compute the Company's taxable income from the business for the previous year 2022-23 after taking into account the following informations:

- The motor Car was used equally for business purpose and the proprietor's private purpose.
- Bank loan is taken for business purpose.
- The amount of Depreciation allowable according to income tax Rules, in respect of Building and Furniture was Rs. 800 and Rs. 150 Respectively.
- Included in the advertising expenses is a sum of Rs. 1,000 expended on a special advertising campaign undertaken during the year in respect of a product of a company placed recently in the market.
- Salaries include Rs. 3,000 being the amount drawn by Ashwin Kumar during the year against profits.

(CO3) [Application]