



**PRESIDENCY UNIVERSITY,  
BENGALURU**

**SCHOOL OF LAW**

**MID TERM EXAMINATION**

**Odd Semester:** 2018-19

**Date:** 27 October 2018

**Course Code:** BCL 203

**Time:** 2 Hours

**Course Name:** Corporate Tax Planning

**Max Marks:** 60

**Branch & Sem:** B.Com., LL.B. (Hons.) V Sem

**Weightage:** 30%

**Instructions:**

(i) **Calculator is allowed**

**Part A**

Answer **all** the Questions. **Each** question carries **four** marks.

(5x4=20)

1. What do you understand by Tax Management?
2. What is Tax Avoidance?
3. Define an Indian Company.
4. Define Foreign Company.
5. What is Foreign Income?

**Part B**

Answer **all** the Questions. **Each** question carries **five** marks.

(4x5=20)

6. Explain the essentials of Tax Planning.
7. Explain how the residential status of a company is determined.
8. Distinguish between incomes which are accrued and deemed to be accrued in India.
9. Explain the process involved in concluding a DTAA.

**Part C**

Answer the Question. **Each** question carries **ten** marks.

(2x10=20)

10. Apple, a US Company, a non-resident under the Income-tax Act, 1961, had the following receipts of royalty in 2017-18. Indicate whether they will be taxable in India. Give reasons for your answer.
  - a. Rs. 40,000 from the Government of India under an agreement approved by the Governments of US and India;
  - b. Rs. 7,00,000 from Reliance. Ltd., a resident Indian Company, for import of technical know-how for use in a business in India;
  - c. Rs. 75,000 from TATA Telecommunications Ltd., a resident Indian Company, for import of drawings for use in its business in Singapore and Malaysia;

- d. Rs. 400,000 from Mr. Trump, a non-resident under Indian tax law for use of a formula for a business in India; and
- e. Rs. 40,000 from Mr. Vijay, an Indian non-resident, for use of drawings and technical know-how for a business in the U.K.

11. State with reason whether following transaction are an act of (i) Tax evasion (ii) Tax avoidance (iii) Tax management.

- a. Radiance Ltd. appoints an accountant for maintaining proper account for tax computation and deduction at source.
- b. Mukesh donated Rs. 90000/- to a charitable society.
- c. Radiance Ltd. purchases an apartment for the use of its directors during the board meetings which is shown as business assets.
- d. Mr. Arun transfer to his friend one of his house property, without any consideration to save tax.
- e. DATA Ltd. deducts at source tax from the payments but does not deposit the same in the government treasury.