

**MASTER OF COMMERCE
THIRD SEMESTER
TAX PLANNING & MANAGEMENT
MCM-304 A
[USE OMR SHEET FOR OBJECTIVE PART]**

**SET
A**

Duration: 3 hrs.

Full Marks: 70

Time: 30 mins.

(Objective)

Marks: 20

Choose the correct answer from the following:

1×20=20

1.tax planning refers to year to year planning to achieve some specific or limited objective.
 - a. Short range
 - b. Long range
 - c. Permissive
 - d. Purposive
2. Tax management deals with:
 - a. Filing of return in time
 - b. Getting the accounts audited
 - c. Deducting tax at source
 - d. All of the above
3. Which of the following tax incentives are available on the ground of location of business?
 1. Newly established industrial undertaking in free trade zone-Section 10A
 2. Newly established units in special economic zone-Section 10AA
 3. Agricultural income-Section 10(1)
 - a. 1 and 2
 - b. 1 and 3
 - c. 2 and 3
 - d. All of the above
4.is legal as well as ethical.
 - a. Tax Management
 - b. Tax Planning
 - c. Tax Avoidance
 - d. Tax Evasion
5. Education allowance is exempted for a maximum of.....
 - a. One child
 - b. Two children
 - c. Three children
 - d. Four children
6. Under the head 'Income from House Property', the basis of charge is theof property.
 - a. Quarterly value
 - b. Semi-annual value
 - c. Annual value
 - d. Total value
7. Advance tax shall be payable during the financial year, only when the amount of such advance tax payable by the assessee during that year is:
 - a. Rs. 5,000 or more
 - b. Rs. 10,000 or more
 - c. Rs. 15,000 or more
 - d. Rs. 20,000 or more
8. Listed equity shares will be treated as long-term capital assets if they are held by the taxpayer for a period of more than..... months immediately preceding the date of its transfer.
 - a. 12
 - b. 24
 - c. 36
 - d. 48

9. To reduce tax liability, in case of income is high in relevant years, the pace of repair and renewal can be:
- Slower
 - Faster
 - Neural
 - None of the above
10. Which of the following will not be considered 'Dividend' u/s 22(2) of Income Tax Act, 1961?
- Distribution entailing release of company's assets
 - Distribution on liquidation of company
 - Issuing Right Shares to shareholders
 - Distribution on reduction of share capital
11. If a concern has surplus capacity and even decide to buy a product, it may require to sell a part of its plant and machinery. In such a case, it may be liable to pay:
- Indirect tax
 - Capital gain tax
 - Deduct depreciation
 - None of the above
12. If an asset is obtained on lease, deduction can be claimed in respect of.....
- Lease rentals
 - Depreciation
 - Both (a) and (b)
 - None of the above
13. Section of the Income Tax Act deals with tax deduction for certain Industrial Undertakings involved in infrastructure development.
- 60-IA
 - 70-IA
 - 80-IA
 - 90-IA
14. Which of the following statements are true related to SEZ?
- It is a duty free enclave to be treated territory for the purpose of trade operations and tariffs
 - The corporation in SEZs will not have to pay any income tax on their profits for the first five years and only 50% of the tax for 2 more years thereafter
 - A SEZ does not require a license for exports
- Which of the following statements are true?
- 1,2
 - 2,3
 - 1,3
 - All of the above
15. Which of the following Section of the Income Tax Act, 1961 provides special provisions in respect of newly established 100% Export Oriented Undertakings?
- 10A
 - 10B
 - 10C
 - 10D
16. Undertakings in North Eastern states can claim deduction under Section.....of the Income Tax Act, 1961.
- 80IE
 - 70IE
 - 60IE
 - 50IE
17. Supply of two or more supplies naturally bundled and supplied is called:
- Mixed supply
 - Composite supply
 - Common supply
 - Continuous supply
18. HSN code stands for:
- Home Shopping Network
 - Harmonized System Number
 - Home State Number
 - Harmonized System of Nomenclature

19. Which of the following taxes will be levied on Imports of goods and services?
- a. CGST
 - b. SGST
 - c. IGST
 - d. Exempt
20. Which of the following tax is not subsumed in GST?
- a. VAT
 - b. Stamp Duty
 - c. Entry tax
 - d. Entertainment Tax

-- -- --

(Descriptive)

Time : 2 hr. 30 mins.

Marks : 50

[Answer question no.1 & any four (4) from the rest]

1. "Tax Planning is a legal and moral way of Tax Savings." Explain this statement and describe the objectives of Tax Planning. 10
2. Compare the different forms of business organization from tax liability point of view. 10
3. Mr. Ravi Sharma is entitled to get a pension of Rs. 2,500 per month from Sun Ltd. He got three-fifth of the pension commuted and received Rs. 1,00,000. Compute the taxable portion of commuted value of pension when (a) He does not receive gratuity (b) He receives Rs. 50,000 as gratuity. 5+5=10
4. a) Mr. Rick is the owner of a house at Guwahati. Particulars regarding the house are as under:
Municipal value of the house is Rs. 66,000.
Fair rent Rs. 96,000.
Standard rent under the Rent Control Act Rs. 84,000.
The house property has been let out for Rs. 7,500 p.m.
Municipal taxes paid by the tenant during the year were Rs. 5,000.
The house was vacant for three months during the Previous Year 2020-21.
Compute the Net Annual Value for Assessment Year 2021-22.
b) Explain clearly the provisions of the Income Tax Act regarding the payment of advance tax. 5+5=10
5. Discuss the factors affecting make or buy decisions. Explain tax planning provisions regarding make or buy decisions. 6+4=10
6. What do you mean by Free Trade Zone? Explain the tax provisions for undertakings set up in Free Trade Zone. 3+7=10
7. What is Goods and Services Tax (GST)? Explain its features. 3+7=10
8. Explain the meaning of the following terms as per the Goods and Services Tax Act: (any two): 5+5=10
 - a) Business
 - b) Composite supply
 - c) Reverse charge
 - d) Input Tax Credit

== *** ==