

**M.COM**  
**FOURTH SEMESTER**  
**TAX PLANNING & MANAGEMENT**  
**MCM-404 A**

**Duration: 3 Hrs.**

**Marks: 70**

{ Part : A (Objective) = 20 }  
{ Part : B (Descriptive) = 50 }

**[ PART-B : Descriptive ]**

**Duration: 2 Hrs. 40 Mins.**

**Marks: 50**

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

1. Discuss the factors that are helpful for effective tax planning. (10)
2. (a) Differentiate between 'Tax Planning' and 'Tax Management'. (5+5=10)  
(b) Differentiate between 'Tax Avoidance' and 'Tax Evasion'.
3. (a) State the tax treatment in case of Recognized Provident Fund. (5)  
(b) Write a short on long-term capital gain. (5)
4. What is advance payment of tax? State the provisions of Income Tax Act in this respect. (2+8=10)
5. Explain the provisions of the Income Tax Act regarding set-off and carry forward of the following: (5+5=10)  
(a) Losses from non-speculative business Capital losses  
(b) Capital Losses
6. Write short notes on: (5+5=10)  
(a) Tax provisions relating to Free Trade Zones  
(b) Tax Planning Relating to Make or Buy Decisions
7. What do you mean by investment? Discuss the tax planning regarding Investment. (2+8=10)
8. What do you mean by capital structure? Discuss the importance of selection of a proper capital structure of an enterprise with reference to tax planning. (2+8=10)



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**[ PART-A : Objective ]**

Choose the correct answer from the following:

1×20=20

1. ....takes into account the loop-holes of law.
  - a. Tax Management
  - b. Tax Planning
  - c. Tax Avoidance
  - d. Tax Evasion
2. Consideration like.....need to be considered while setting up a new organization.
  - a. Location of undertaking
  - b. Nature of business
  - c. Form of organization
  - d. All of the above
3. A company wants to reduce the tax liability by making incorrect statement about the location of manufacturing process, it is .....
  - a. Tax Avoidance
  - b. Tax Planning
  - c. Tax Evasion
  - d. Tax Management
4. The Income arrived after deductions under Section 80C to under section 80U from Gross Total Income is known as
  - a. Total income
  - b. Taxable income
  - c. Both (a) and (b)
  - d. None of the above
5. Tax .....is tax hedging within the frame of law.
  - a. Planning
  - b. Management
  - c. Evasion
  - d. Avoidance
6. When expenses incurred on replacement of an asset are capitalized it will
  - a. Decreased tax liability
  - b. Increase tax liability
  - c. Having no impact on tax liability
  - d. Decrease in block of asset
7. The amount paid on account of current repairs shall not include any expenditure in the nature of
  - a. Revenue expenditure
  - b. Capital expenditure
  - c. Deferred expenditure
  - d. Both (a) and (b)
8. Determine the category of the Union bank of India.
  - a. A company
  - b. Artificial Juridical Person
  - c. A Body of Individuals
  - d. None of the above
9. In case of non-Government employee, uncommuted pension is.....
  - a. Fully chargeable
  - b. Partly chargeable
  - c. Both (a) and (b)
  - d. None of the above
10. In case of income form a self occupied property, the annual value of one house is taken as.....
  - a. Nil
  - b. Rs.5000
  - c. Rs.10,000
  - d. Rs. 20,000
11. The reasonable expected rent of the house property cannot be more than the .....fixed under the Rent Control Act.
  - a. Standard Rent
  - b. Fair Rent
  - c. Expected Rent
  - d. None of the above
12. Capital gains are deemed to be the income the previous year in which the transfer of the .....takes place.
  - a. Current asset
  - b. Fixed asset
  - c. Fictitious asset
  - d. Capital asset





13. Income from other sources is a .....head of income.  
 a. Residuary  
 b. Non-residuary  
 c. Both (a) and (b)  
 d. None of the above
14. Interest received by an employee on his own contribution to unrecognized provident fund is taxable under the head.....  
 a. Income from salary  
 b. Income from other source  
 c. Income from capital gain  
 d. None of the above
15. Loss from a speculation business of a particular financial year can be set off in the same financial year from  
 a. Profit and gains from any business  
 b. Profit and gains from any business other than speculation business  
 c. Income of speculation business  
 d. Income of speculation business
16. For the financial year 2013-14, advance tax is payable is .....  
 a. Rs. 5,000                      b. Rs. 10,000  
 c. Rs. 15,000                     d. Rs. 20,000
17. The main objectives of the Special Economic Zones Act is/are:  
 a. Generation of additional economic activity  
 b. Promotion of exports of goods and services  
 c. Promotion of investment from domestic and foreign sources  
 d. All of the above
18. Speculation loss which could not be set off, can be carried forward and set off in subsequent years only against speculation profits within ..... from the assessment year in which the loss was first computed.  
 a. 5 years                              b. 10 years  
 c. 15 years                             d. 20 years
19. In the case of a non-corporate assessee, advance tax has to be paid in..... installment(s)  
 a. One                      b. Two                      c. Three                      d. Four
20. In the case of corporate assessee, advance tax has to be paid in ..... installment(s).  
 a. One                      b. Two                      c. Three                      d. Four

Course : .....

Semester : ..... Roll No : .....

Enrollment No : ..... Course code : .....

Course Title : .....

Session : ..... 2016-17 ..... Date : .....

Instructions / Guidelines

- The paper contains twenty (20) / ten (10) questions.
- The student shall write the answer in the box where it is provided.
- The student shall not overwrite / erase any answer and no mark shall be given for such act.
- Hand over the question paper cum answer sheet (Objective) within the allotted time (20 minutes / 10 minutes) to the invigilator.

Full Marks	Marks Obtained	Remarks
20		

Scrutinizer's Signature

Examiner's Signature

Invigilator's Signature