



MBA.F.IV/11.407

**M.B.A. DEGREE (F.T) IV SEMESTER EXAMINATION MAY 2011**

**SMS 2415 CORPORATE TAXATION**

Time : 3 Hours

Maximum Marks : 50

(All questions carry EQUAL marks)

(5 x 10 = 50)

- I. A. Explain the following terms:
- (i) Person
  - (ii) Depreciation
  - (iii) Maximum marginal rate
  - (iv) Gross Total Income

**OR**

- B. Enumerate any ten items of income which are totally exempt.

- II. A. Write short notes on the following:
- (i) Entertainment Allowance
  - (ii) Standard rent
  - (iii) Capital loss
  - (iv) Perquisite

**OR**

- B. From the following information compute the capital gains for the assessment year 2010-11:

	House I	House II
Date of purchase	May, 1977	Dec. 1980
	Rs.	Rs.
Cost of acquisition	1,90,000	2,50,000
Cost of additional construction in 1980	10,000	25,000
Fair market value on 1 April, 1981	1,75,000	3,50,000
Cost of additional construction in 1994-95	51,800	77,700
Sale proceeds of property in 2009-10	14,50,000	26,00,000

Cost inflation index are 1981-82 -100; 1994-95 - 259; 2009-10-632

- III. A. What are the provisions regarding set-off of the following losses:
- (i) Long term capital losses
  - (ii) Short term capital Losses
  - (iii) Speculation losses
  - (iv) Losses of lottery and card games

**OR**

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B. The gross total income for the previous year ending on 31 March 2010 of Mr. Praveen is Rs.40,15,000/- . He donated the following amounts:

- (i) Prime Minister's National Relief Fund Rs.1 lakh
- (ii) National Children's Fund Rs. 2 lakhs
- (iii) Rs. 2 lakhs for repairs of a temple of public worship so notified
- (iv) Rs. 1 lakh to a local college for construction of class rooms
- (v) Rs.20,000/- given as aid to a poor student
- (vi) Rs.1 lakh to Municipality
- (vii) Rs.50,000/- to Kerala Government for family planning

He deposited Rs.15,000/- in Public Provident Fund.

Determine his total income for the assessment year 2010-11.

IV. A. What are the salient features of assessment of joint stock companies?

**OR**

B. Alpha Ltd. an Indian Company computed a loss of Rs.1,20,000/- for the assessment year 2010-11. In arriving at the loss the following adjustments have been made:

- (i) A speculation loss carried forward from assessment year 2006-07 is set-off to the extent of Rs. 5,00,000/-.
- (ii) A donation of Rs,2,00,000/- given to a political party
- (iii) Insurance premia paid to insure the gold and jewellery in stock against risk of fire and theft Rs. 2,800/-.
- (iv) Advances made for purchase of gold the value of which has not been taken into account on the ground that purchase has not been effected in the previous year Rs.16,00,000/-.

Compute the correct total income of the company.

V. A. What are the provisions of the Income Tax Act regarding prosecution in the following cases:

- (i) For failure to furnish return of income
- (ii) For failure to comply with the notice to produce books of account or evidence in support of his return
- (iii) For failure to get his accounts audited as directed under section 142 (2A).
- (iv) For abetment of false return, etc.

**OR**

B. What is the difference between double taxation relief and double taxation avoidance?

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