

AC-0809

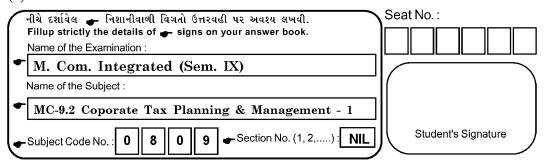
M. Com. Integrated (Sem. IX) Examination March/April - 2015

MC-9.2 Coporate Tax Planning & Management - 1

Time: 2 Hours] [Total Marks: 50

Instructions:

(1)



- (2) Q.1 is compulsory.
- (3) Figures to the right indicate full marks of a question.
- (4) Precise and to the point answers are expected.

1 Answer in short:

10

- (1) What is tax planning?
- (2) What is tax liability of a company at a time of issue of bonus share to a preference share holder during AY 2014-15?
- (3) X Ltd. is a domestic company that distributes the dividend of Rs. 20,00,000 on 20-4-13. It received the, dividend from their subsidiaries as under. Examine whether intercorporate dividend relief will be available to X Ltd.? What will be its dividend tax for AY 2014-15?

Subsidiary companies	A Ltd.	B Ltd.	C Ltd.
Dividend paid by subsidiary co.	4 Lacs	3 Lacs	2 Lacs
Date of receipt of dividend	10.04.2013	1.05.2013	28.03.2014

- 2 (a) What is dividend under Income Tax Act? Explain with extended meaning inclusive of distributions deemed as dividend.
 - (b) X purchases 1000 equity shares in A Ltd. at the rate of Rs. 16 per share (brokerage 1%) on 10-12-79. He gets 500 bonus shares on 10-1-84. Fair market value of shares of A Ltd. on 1-4-81 is Rs. 24. On 13-4-13, he transfers 1,000 original shares @ Rs. 300 per share (brokerage 1.5%). On 15-4-13, he transfers 500 bonus shares @ Rs. 310 per share (brokerage 1.5%). These shares are transferred in the Bombay Stock Exchange. Calculate the taxable capital gain of Mr. X for AY 2014-15.
- Four partners A, B, C and D are having a partnership business. They are thinking of converting the partnership firm into a private limited company. Calculate the tax liability of all the partners/ directors and partnership firm/ company for the assessment year 2014-15 in each of the following cases and decide whether they should convert their partnership firm into company or not.

Partn	ership Firm	Private Company	
1. Nu 2. Tax interpretation Rs. 3. Cap ps. 4. Interpretation Rs.	mber of partners 4 xable income before erest and remuneration 14,00,000 pital invested by each artner Rs. 3,75,000 erest on capital 12% eximum remuneration	1. 2.	Number of directors 4 Taxable income before payment of salary Rs. 14,00,000 Remuneration payable to directors: Rs. 12,00,000 salary to each
as	per income tax ovisions		

4 Write short notes: (any two)

- 14
- (1) Deduction to companies engaged in industrial research [Section 80IB]
- (2) Special provisions in respect of newly established undertakings in free trade zone (Section 10A)
- (3) Tax treatment in case of "Bonus to preference share holders"

AC-0809] 2 [100]

6

13

7