

K-841

Total Pages : 3

Roll No.

MS-401

Corporate Tax Planning

Master of Business Administration (MBA)

3rd Semester Examination, 2023 (Dec.)

Time : 2 Hours]

Max. Marks : 70

Note : This paper is of Seventy (70) marks divided into two (02) Sections A and B. Attempt the questions contained in these sections according to the detailed instructions given therein. Candidates should limit their answers to the questions on the given answer sheet. No additional (B) answer sheet will be issued.

SECTION–A

(Long Answer Type Questions)

Note : Section 'A' contains Five (05) long answer type questions of Nineteen (19) marks each. Learners are required to answer any Two (02) questions only.

(2×19=38)

1. Explain the meaning and characteristics of tax planning. What is the importance of tax planning?
2. Which factors should be considered from the point of view of tax planning before setting up of a new business towards optimizing tax liability?
3. Explain the tax effect of capital structure decision while determining the choice between different sources of financing with a suitable example.
4. Explain clearly the deductions that are expressly allowed in computing the income from business under the Income tax Act, 1961.
5. A company requires 2,00,000 units of a component every year for the next 5 years. The component may either be manufactured in its factory or be purchased it from the market. From the following information suggest to the company whether it should make the component in its factory or buy it from the market to gain some tax advantage from this make or buy decision :
 - (i) Material cost per unit Rs. 20
 - (ii) Labour cost per Unit Rs. 30
 - (iii) Variable cost per unit Rs. 10
 - (iv) If the company manufactures the component, it has to purchase a machine by taking a loan from the Bank. The present value of Net capital out flow in this regard in five years will be Rs. 1,00,000.

The component is available in one market at Rs. 125 and at Rs. 140 in other one.

SECTION-B

(Short Answer Type Questions)

Note : Section 'B' contains Eight (08) short answer type questions of Eight (08) marks each. Learners are required to answer any Four (04) questions only. (4×8=32)

Briefly discuss any four of the following :

1. Differentiate between tax planning, tax avoidance and tax evasion.
2. The scope of Tax Management.
3. Various kinds of provident fund.
4. Tax advantages of amalgamations and mergers.
5. Tax provision relating to free trade zone.
6. Concept of Minimum Alternate Tax.
7. Advance payment of tax.
8. Tax planning in respect of Capital Gains.

