

**A-1065**

Total Pages : 4

Roll No. ....

**MS-401**

**Master of Business Administration (MBA)**

**(Corporate Tax Planning)**

3rd Semester Examination, 2024 (June)

Time : 2:00 Hrs.

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) 2×19=38**

*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.

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( 1 )

P.T.O.

1. Explain the meaning and characteristics of Tax Management and differentiate between tax planning, tax management and tax evasion.
2. Explain the special provisions in respect of newly established 100% Export Oriented Undertakings under the Income Tax Act, 1961.
3. Explain the provisions regarding Set-off and Carry Forward of business losses.
4. What deductions are allowed to a businessman in computing income from business under Income Tax Act, 1961.
5. A Ltd. is a widely held company. It proposes to increase its production for which it will require ` 1,00,00,000. The company proposes the following three alternatives for the structure of additional capital :

<b>Capital</b>	<b>Alternative</b>		
	<b>First</b>	<b>Second</b>	<b>Third</b>
	`	`	`
Share capital	1,00,00,000	40,00,000	20,00,000
10% Debentures		40,00,000	30,00,000
Loan from financial Institutions		20,00,000	50,00,000

Expected return on capital employed in business is 25% (before tax). Normally company engaged in similar businesses are paying 20% dividend on its share capital. Tax rate is 35%.

You have to advise the company as to which alternative it should choose for the capital structure so as to pay maximum dividend to the shareholders.

### **Section–B**

**(Short Answer Type Questions)**      4×8=32

**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. Briefly discuss any four of the following.

1. Importance of tax planning.
2. Difference between exemptions and deductions.
3. Residential status and tax liability.
4. Tax Deduction at Sources (TDS).
5. Tax planning in respect of setting up new business in backward areas.

6. Tax benefits in case of Limited liability Partnership and company.
7. Various forms to be used for filing the return of income tax.
8. Tax planning in respect of amalgamations and mergers.

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