

GUJARAT TECHNOLOGICAL UNIVERSITY**MBA - SEMESTER-III • EXAMINATION – WINTER • 2014****Subject Code: 2830009****Date: 06-12-2014****Subject Name: Corporate Taxation (CT)****Time: 10:30 am - 01:30 pm****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

- Q.1** (a) Write a detailed note on Residential Status of an Individual. **07**
 (b) Differentiate the tax avoidance and tax evasion. **07**
- Q.2** (a) Reliance Communication obtained a license to operate telecommunication services on 01.07.2012 for a period of 11 years. [till 30.06.2023] for a sum of Rs. 13,20,000. Calculate the amount of deduction available to the company under section 35ABB for the various previous years assuming:
 (I) The payment of the entire licence fee is made on the date of acquisition of the licence.
 (II) Rs. 4,00,000 was paid on the date of the acquisition, Rs. 2,60,000 was paid on 15.10.2012 and balance Rs. 6,60,000 will be paid in two equal instalments of Rs. 3,30,000 each during previous year 2013-14 and 2014-15.
 (b) Explain the concept of tax planning and tax management with example. **07**
- OR**
- (b) What are the requisites of a successful tax planner? Explain in detail. **07**
- Q.3** (a) Define Company, Indian Company and Domestic Company. **07**
 (b) A Ltd. is engaged in the business of carriage of goods. On April 1, 2012, it owns 10 trucks (6 out of which are 'heavy goods vehicles'). On May 6, 2012, one of the heavy goods vehicles is sold by the company to purchase a light goods vehicle on May 10, 2012 which is put to use only from June 17, 2012. Net profit of the company is Rs. 45,000 and Other Business Income is Rs. 70,000 for the PY 2012-13. Find out the net income of the company for the AY 2013-14.
- OR**
- Q.3** (a) Write a detailed note on tax planning with reference to new business – location of the business. **07**
 (b) By withdrawing Rs. 40 lakhs on January 2013 from the special account, TAZA Tea Ltd. purchased a non-depreciable asset for Rs. 36 lakhs according to the scheme framed by the Tea Board. The remaining amount was not utilized upto March 2013. Find out the business income for the AY 2013-14. **07**
- Q.4** (a) A company has two qualifying ships. The registered tonnage of ship I is 37,500 tons and the tonnage of second ship is 25,800 tons. Calculate the tonnage income of the company for AY 2012-13. **07**
 (b) How tax benefits are related with different forms of organizations? Explain with example. **07**

OR

- Q.4 (a)** On 01-04-2012, Shreya Ltd. owns Plan A, B and C.[Rate of depreciation 15%]. The written down value of the block as on 01-04-2011 is Rs. 5,00,000. On the 15th July 2012, plant D which was initially purchased for conducting scientific research at a cost of Rs. 50,000 is transferred from R and D department to the factory. The entire cost of Plant D was charged to profit as per Section 35 in the year of acquisition. No other asset is purchased or sold. Find out the WDV of the block as on 31-03-2013 after charging depreciation for A.Y. 2013-14. **07**
- Q.4 (b)** What are the permissible deductions are available under section 80c to 80u? Explain in brief. **07**
- Q.5 (a)** What do you mean by advance ruling for non-residents? What is the composition of authority for advance ruling? **07**
- (b)** Write a detailed note on income deemed to accrue or arise in India. **07**
- OR**
- Q.5 (a)** Write a detailed note on DTA agreement. **07**
- (b)** Explain the conditions applicable for arm's length price in the international transactions. **07**
