Reg. No. : ....

Name : ....

IV Semester M.Com. Degree (C.B.C.S.S. – O.B.E. – Regular/Supple./Imp.)
Examination, April 2026
(2023 Admission Onwards)
A – FINANCE
CMCOM04E01 : Corporate Tax Planning and Management

Time : 3 Hours Max. Marks : 60

SECTION – A

Answer **any five** questions in this Section. **Each** question carries **3** marks.

1. Define Minimum Alternate Tax (MAT).
2. When is the advance tax payable ?
3. Distinguish between Tax Planning and Tax Avoidance.
4. What is TDS ? State its objectives.
5. Define double taxation relief.
6. Identify the factors influencing the capital structure decisions in tax management. **(5×3=15)**

SECTION – B

Answer **any three** questions in this Section. **Each** question carries **5** marks.

7. Discuss the assessment procedure under the Faceless Assessment Scheme.
8. Lay out the provisions in relation to the assessment of Non-Residents in India.
9. The book profits of a company in the previous year 2024-25 computed in accordance with Sec. 115JB of the Income-tax Act, is ₹ 12,00,000. Its total income under the Income-tax Act for the same period is computed at ₹ 3,50,000. Is the company liable to pay 'Minimum Alternative Tax' ? If yes, how much has to be paid ?

P.T.O.

10. From a tax planning point of view, determine whether a company should distribute dividends or purchase its own shares from shareholders keeping in view the following information :
   i) Share capital 1,00,000 shares (listed) of ₹ 10 each.
   ii) General reserve ₹ 16 lakh.
   iii) Issued shares in 1998 at par.
   iv) Market price of shares on 1.4.2001 ₹ 9.5 each.
   v) The company wants to reduce its general reserve by ₹ 12 lakh either by distributing dividend @ ₹ 12 per share or buying its shares @ ₹ 120 per share.
11. During the previous year, a Charitable Trust earned an income of ₹ 3,00,000 from property held for charitable purpose and ₹ 3,00,000 from voluntary contributions. The Trust utilised the amount during the previous year as under :
   a) Spent for charitable purpose in India.
   b) Spent for charitable purpose outside India.
   c) Repaid the loan taken for construction of building for charitable purposes.

   Compute the taxable income of the Trust. **(3×5=15)**

SECTION – C

Answer **any three** questions in this Section. **Each** question carries **10** marks.

12. What is tax management ? Explain its scope and importance.
13. What is Assessment ? Detail its types.
14. Naresh's net income under the head 'Income from salaries' is ₹ 16,00,000. His contribution in recognised provident fund is ₹ 40,000. He has paid premium of ₹ 10,000 on life insurance policy. He has loss under the head income from house property on account of interest payment in relation to self occupied house ₹ 25,000. Compute the tax to be deducted at source during the Financial Year 2025-26 if he does opt for the default tax regime.

15. Mr. Ram wants to start an eligible business. Keeping in view the provisions of Section 44AD and the following information suggest him whether he should run the business as a sole proprietary concern or a partnership firm :
   i) Estimated sales for the year 2024-25 : ₹ 90,00,000.
   ii) Estimated profits u/s 44AD : ₹ 7,20,000.
   iii) If proprietary concern : He will pay ₹ 10,000 p.m. as salary to his son.
   iv) If partnership firm : Both partners (Ram and son) receive salary of ₹ 10,000 p.m. each.
   v) Capital : ₹ 3,00,000 contributed equally.
   vi) Interest on capital : The firm will pay 12% p.a. to partners.
16. Decide which one is a better alternative – lease or buy – in the following situations.

   Tax rate : 26%

   Cost of capital : 12%

   Depreciation rate : 15%

   Lease rent : ₹ 32,000 per annum for 5 years (per 1 lakh)

   Cost of the asset (machine) : ₹ 1,00,000.

   Salvage value : Sold for ₹ 5,000 at the end of 5 years.

   Assume that the short-term capital loss is set-off against short-term capital gains at the end of 5 years period, and the P.V. Factors (12%) : Yr. 1 : 0.893; Yr. 2 : 0.797; Yr. 3 : 0.712; Yr. 4 : 0.636; Yr. 5 : 0.567. **(3×10=30)**

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