MCOHC-2.3

Sl.No. : **Total No. of Pages : 4**

II Semester M.Com. Degree Examination, June - 2023
(CBCS, SLM Scheme)
COMMERCE
Course - III : Business Taxation and GST

Time : 3 Hours **Max. Marks : 80**

SECTION - A

Answer any Four questions. Each question carries five marks. **[4×5=20]**

Q1) Briefly explain the different canons of taxation.

Q2) Define company as per IT Act. Briefly explain the types of company.

Q3) What are the objectives of GST?

Q4) Write a note on GST Council.

Q5) The total income of a XYZ Ltd. is ₹ 6,00,000, out of which long term capital gain is ₹40,000 and income from business is ₹ 5,60,000. The book profit of the company is ₹ 10,00,000. Compute the tax liability for the assessment year 2023-24.

Q6) How would you arrive at the transaction value for the purpose of levy of GST and calculate GST payable from the following particulars;

a) The selling price of a product exclusive of GST ₹ 10,000

b) Rate of GST is applicable to the product is 5%

c) Trade discount allowed as per normal trade practice before delivery of the product is ₹ 1,200.

d) Freight attributable for supply of the product is ₹ 750 from manufacturer place to buyer place which is not included in the above selling price.

SECTION - B

Answer any Three questions. Each question carries ten marks. **[3×10=30]**

Q7) What is Tax Planning? Distinguish between Tax Planning and Tax Evasion.

Q8) Explain the different types of Tax Assessment.

Q9) Explain the powers and functions of GSTN.

Q10) X company Ltd. has provided the following information for the year ended 31-3-2022.

Particulars	**Amount (₹)**
Total income computed as per provisions of the Income Tax Act	20,00,000
Profit as per statement of profit and loss	50,00,000
Items deducted in the statement of P & L	
• Provision for income tax	7,00,000
• Provision for deferred tax	60,000
• Provision for gratuity on actuarial valuation	1,50,000
• Dividend declared	2,40,000
• Expenditure to earn agriculture income	1,00,000
• Depreciation (this includes depreciation of ₹ 2,00,000 on revaluation of assets)	4,50,000
Items added in statement of P & L	
• Transfer from special reserve	2,00,000
• Agriculture income	4,00,000
Brought forward business losses as per books of accounts	8,00,000
Brought forward depreciation as per books of accounts	7,00,000

You are required to compute:

a) Tax payable by the company

b) Tax credit to be carried forward, if any

Q11) From the following details, compute the value of Goods and Services tax payable during December 2022, if the rate of CGST and SGST at 9% each.

Particulars	₹
Service provided by foreign diplomatic mission	6,00,000
Aerial advertising	5,00,000
Service by way private tuitions	80,000
Speed post services	70,000
House given on rent for residential purpose	50,000
Value of free service rendered to friends	2,00,000
Service rendered to UNO	5,00,000
Certification of exchange control purpose	1,00,000
Secretarial auditing	25,000
Fees to act as a liquidator	3,00,000
Vacant land used for horticulture	10,00,000
Sale of time slot by broadcasting organisation	2,00,000
Service rendered within Indian territorial water	4,00,000
Services relating to supply of farm labour	2,50,000

SECTION - C

Answer any Two Questions. Each question carries 15 marks. **[2×15=30]**

Q12) Discuss the provisions of set-off and carry forward of losses.

Q13) Explain the various types of returns under GST.

Q14) X Ltd. is widely-held Company. It is currently considering a major expansion of its production facilities and following alternatives are available:

Particulars	Alternative - 1 (₹)	Alternative - 2 (₹)	Alternative - 3 (₹)
Share capital	5,00,000	2,00,000	1,00,000
Debentures (14 percent)			
Loan From Financial	-	2,00,000	1,50,000
Institutions (12 percent)	-	1,00,000	2,50,000

The expected rate of return (before tax) is ₹ 1,00,000. The rate of dividend of the company since 1990 is not less than 20% and date of dividend declaration is June 30 every year.

Advise the company for choosing best alternative from tax point of view.

Q15) CA Govinda, a Practicing-Chartered Accoutant (Bangalore) received money from various clients for service rendered in the month of November 2022.

a) Accounting and auditing services of ₹ 1,25,000

b) Representation before various statutory authorities ₹ 1,00,000

c) Cost accounting and Cost auditing of ₹ 50,000

d) Secretarial auditing ₹ 35,000

e) Verification of declaration in prescribed forms compliance for obtaining a certificate of commencement of business ₹ 40,000

f) Certificate of documents to be filled before registrar of companies ₹ 25,000

g) Ledger maintenance, non-professional services and preparation of coaching material ₹ 20,000

h) Fee from routine visits to income tax offices ₹ 55,000

i) Remuneration for teaching CA and ICWA students ₹ 30,000

j) Fee from outsourcing work of client such as billing and ledger posting ₹ 75,000

k) Service rendered in Delhi ₹ 70,000

l) Fee paid to state government ₹ 2,000

You required to calculate GST payable, on outward supply (IGST rate is 18%, CGST - 9% and SGST - 9%).

❄ ❄ ❄