MCOHC-2.3

Sl.No. :

Total No. of Pages : 4

Second Semester M.Com. Degree Examination, October - 2025
(SLM Scheme) (CBCS)
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]

1) "GST is a Value Added Tax", justify with an example.
2) Explain the provisions of GST on Exports and supply to SEZ unit.
3) Mr. Raghu is a supplier of electronic items in Mysuru. He sold Smart TV to Keerthan in his shop for ₹20,000 with an exchange of old TV. Old TV can be sold in the market for ₹15,000. Open market price of the new mobile is ₹52, 000. The rate of GST is 18%. Determine the Transaction of value and GST payable.
4) Bring out the mechanism of levy and collection of CGST.
5) Explain the limitations of corporate tax planning.
6) What is re-assessment? When it arise in case of a company?

SECTION - B

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

7) Discuss various deductions available for corporate assesse from gross total income under the new provisions of Income Tax Act, 1961.
8) Explain the central and state financial relations in the context of GST in India.
9) "Tax Deductions, Exemptions and Rebate are complimentary to each other in educative tax system", explain.

10) M/s Zenith Pvt. Ltd. provides the following details extracted from Profit & Loss Account for the year ended 31-03-2025:

- Salaries & Wages – ₹12,00,000
- Depreciation as per Companies Act – ₹3,00,000
- Interest on capital borrowed for business – ₹2,50,000
- Income Tax paid – ₹80,000
- Penalty for violation of GST law – ₹40,000
- Donation to Prime Minister's Relief Fund – ₹1,00,000
- Advertisement expenses – ₹1,20,000
- Provision for doubtful debts – ₹50,000
- Gross Profit – ₹25,00,000
- Dividend from domestic company – ₹60,000
- Agricultural Income – ₹1,20,000
- Profit on sale of building (business asset) – ₹2,00,000

Additional Information:

1) Depreciation allowable as per Income Tax Act = ₹4,50,000.

2) Donation to Prime Minister's Relief Fund is eligible for 100% deduction u/s 80G (to be considered separately, not under business).

3) The building sold was a depreciable asset (W.D.V method). Sale proceeds = ₹2,00,000; WDV = ₹1,20,000.

You are required to compute Profits and Gains from Business and Total Income of the company for AY 2025 - 26.

11) M/s Star Electronics, a registered dealer in Karnataka, sold a machine to M/s. Sun Ltd. on 15th June 2025. The following details are available:

- Price of the machine (exclusive of taxes) – ₹5,00,000
- Packing charges recovered separately – ₹20,000
- Installation charges collected – ₹30,000
- Subsidy received from State Government, directly linked to price – ₹40,000
- Interest charged for delayed payment (received later) – ₹10,000
- Discount of 5% shown on invoice at the time of supply – ₹25,000
- Discount of 2% given after supply, based on year-end turnover (not pre-agreed in contract) – ₹10,000
- Recipient agreed to supply some raw material free of cost worth ₹50,000 (not included in invoice).

You are required to compute the *Transaction Value* of the machine under GST

SECTION - C

Answer any Two questions. Each question carries Fifteen marks: [2 × 15 = 30]

12) Explain the highlights of Union Budget 2025-26 relating to reforms Indian tax system.

13) "Tax planning is an act within the four corners of the Act and it is not a colourable device to avoid tax". Discuss.

14) M/s.Meera Textiles, registered in Karnataka, furnishes the following details for June 2025:

Outward Supplies:

- Local sale of fabrics (GST 5%) – ₹6,00,000.
- Inter-state sale of garments (GST 12%) – ₹5,00,000 (after allowing 10% trade discount).
- Export of readymade clothes – ₹3,00,000 (zero-rated supply).
- Sales return (local supply, GST 5%) – ₹80,000

Inward Supplies / Expenses :

- Purchases from Maharashtra (GST 12%) – ₹3,00,000.
- Purchases from local dealers (GST 5%) – ₹2,50,000.
- Paid freight to GTA – ₹30,000 (GST 5% under RCM, eligible for ITC).
- Purchase of packing material locally (GST 18%) – ₹1,00,000.

You are required to compute:

a) Output GST liability (CGST, SGST, IGST),

b) Eligible ITC, and

c) Net GST payable for June 2025.

15) XYZ Ltd. presents the following Profit & Loss A/c details for FY 2025-26:

- Net Profit as per P&L A/c – ₹52,00,000.
- Provision for Income Tax – ₹8,00,000.
- Transfer to General Reserve – ₹3,00,000.
- Proposed Dividend – ₹4,00,000.
- Depreciation as per Companies Act – ₹6,00,000.
- Depreciation as per Income-tax Act – ₹8,50,000.
- Profit from SEZ Unit (deduction u/s 10AA) – ₹5,00,000.
- Exempt Long-term Capital Gain – ₹4,00,000.
- Agricultural Income – ₹2,00,000.
- Withdrawal from Revaluation Reserve credited to P&L – ₹1,50,000.

Additional Information:

- Brought forward loss as per books ₹2,50,000.
- Unabsorbed depreciation as per books ₹3,50,000.

You are required to compute:

a) Book Profit u/s 115JB, and

b) Minimum Alternate Tax (MAT) payable @ 15%