63/1 (SEM–6) DSE3/COMHE6036

2025

COMMERCE

Paper : COMHE6036

(GROUP–A : Corporate Tax Planning)

Full Marks : 80

Pass Marks : 32

Time : Three hours

The figures in the margin indicate full marks for the questions.

1. Choose the correct answer from the following : ***(any six)*** 1×6=6

   (a) The Income-tax Act, came into force from _______.

      (i) 1st March, 1971

      (ii) 1st April, 1971

      (iii) 1st March, 1961

      (iv) 1st April, 1962

(b) Deemed dividend is defined in :

(i) section 2 (22) (a)

(ii) section 2 (21) (a)

(iii) section 2 (23) (a)

(iv) section 2 (22) (c)

(c) PAN stands for

(i) Private Account Number

(ii) Personal Account Number

(iii) Permanent Account Negotiation

(iv) Permanent Account Number

(d) Income Tax Rates are fixed in ______.

(i) Income Tax Act

(ii) Income Tax Rules

(iii) Finance Act

(iv) Finance Rules

(e) CBDT stands for ______.

(i) Central Bureau of Direct Taxes

(ii) Citizen's Board of Direct Taxes

(iii) Citizen's Bureau of Direct Taxes

(iv) Central Board of Direct Taxes

(f) Section 115 JB relates to

(i) Tonnage Tax

(ii) Corporated Dividend Tax

(iii) MAT (Minimum Alternative Tax)

(iv) GST

(g) Return filed after the due date is called

(i) revised return

(ii) belated return

(iii) best return

(iv) defective return

(h) Tax avoidance is ______.

(i) illegal

(ii) immoral

(iii) lawful

(iv) All of the above

(i) ______ is the compliance of the Tax Law.

(i) Tax management

(ii) Tax evasion

(iii) Tax avoidance

(iv) Tax planning

(j) The inclusion of income of other person in the income of assessee is called ______.

(i) clubbing

(ii) aggregation

(iii) carry forward

(iv) set off

2. Answer ***any five*** of the following : 2×5=10

(a) What is Tax avoidance ?

(b) Define dividend tax.

(c) What is Slump Sale as per section 2(42c) ?

(d) What do you mean by Dividend Policy ?

(e) As per the Income Tax Act, 1961, define "amalgamation".

(f) Write a short note on "demerger".

(g) Explain the meaning of double taxation relief.

3. Answer the following questions : ***(any six)*** 5×6=30

(a) What is an "Advance Pricing Agreement" ?

(b) What is an "Advance Rulings" and how does it help non-resident taxpayer's in tax planning ?

(c) Explain the importance of "transfer pricing regulations" in international taxation.

(d) Discuss the main point of tax planning in respect to employees remunaration from employer's point of view.

(e) Explain the provision of tax planning with regards to own or lease an asset.

(f) Discuss the provision of the Income Tax Act relating to amalgamation of companies.

(g) Explain tax planning with reference to sale of scientific research assets.

(h) What are the tax implications of converting a private company into LLP ?

(i) What are the tax implications of distributing assets to shareholders during the liquidation of a company ?

(j) Write a note on Corporate tax planning in India.

4. Answer ***any two*** of the following : 10×2=20

(a) What are the tax benefits and conditions for converting a sole proprietorship into a company ?

(b) What is double taxation relief and how does it benefit non-resident tax payers ?

(c) Explain the concept of deemed dividend and its tax implications.

(d) What is Bonus share ? How can a shareholder reduce his tax liability regarding bonus share as per tax planning in relation to bonus share ?

5. Answer ***any one*** of the following questions : 14×1=14

(a) How does tax planning help in minimizing tax liability in assets transfer between holding and its subsidiary company ?

(b) Write a detailed note on tax planning with reference to specific management decisions.

(c) What are tax planning and tax management ? Discuss on the deduction of tax at source.