

National Testing Agency

Question Paper Name: Corporate Tax Planning 09th November 2019 Shift 1
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Corporate Tax Planning

Group Number : 1
Group Id : 709597224
Group Maximum Duration : 0
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Revisit allowed for view? : No
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Break time: 0
Group Marks: 100

Corporate Tax Planning-1

Section Id : 709597253
Section Number : 1
Section type : Online
Mandatory or Optional: Mandatory
Number of Questions: 20
Number of Questions to be attempted: 20
Section Marks: 20
Display Number Panel: Yes
Group All Questions: No

Sub-Section Number: 1
Sub-Section Id: 709597348
Question Shuffling Allowed : No

Question Number : 1 Question Id : 70959721478 Question Type : MCQ Option Shuffling : No Display Question Number : Yes
Single Line Question Option : No Option Orientation : Vertical

Correct Marks : 1 Wrong Marks : 0

The telecom license has been obtained by a company in 2018 – 19 financial year for a period of 5 years. The license fee was paid in 2020-21 for Rs.12, 00,000. what would be the amount of deduction u/s 35ABB :

- (a) Rs. 2,40,000 each for 5 years from 2018-19
- (b) Rs. 400,000 each for 3 years from 2020-21
- (c) Rs.2,40,000 each for 5 years from 2020-21
- (d) None of the above

Question Number : 2 Question Id : 70959721479 Question Type : MCQ Option Shuffling : No Display Question Number : Yes
Single Line Question Option : No Option Orientation : Vertical

Correct Marks : 1 Wrong Marks : 0

The provision of Alternate Minimum Tax is applicable for

- (a) Individual
- (b) Partnership & LLP
- (c) Company
- (d) Both (a) & (b)

Question Number : 3 Question Id : 70959721480 Question Type : MCQ Option Shuffling : No Display Question Number : Yes
Single Line Question Option : No Option Orientation : Vertical

Correct Marks : 1 Wrong Marks : 0

Fees payable for filing an appeal

- a) Rs 1000
- b) Rs 10,000
- c) Rs 1,00000
- d) Rs 50,000

Question Number : 4 Question Id : 70959721481 Question Type : MCQ Option Shuffling : No Display Question Number : Yes
Single Line Question Option : No Option Orientation : Vertical

Correct Marks : 1 Wrong Marks : 0

Provisions of section 115BBD is applicable if dividend is received from

- (a) Specified foreign co.
- (b) Domestic co.
- (c) Foreign co.
- (d) None

Question Number : 5 Question Id : 70959721482 Question Type : MCQ Option Shuffling : No Display Question Number : Yes
Single Line Question Option : No Option Orientation : Vertical

Correct Marks : 1 Wrong Marks : 0

Under the scheme of 'demerger' all the assets & liabilities of demerged company are transferred at

- (a) Market value
- (b) Book value
- (c) Net realizable value
- (d) None

Question Number : 6 Question Id : 70959721483 Question Type : MCQ Option Shuffling : No Display Question Number : Yes
Single Line Question Option : No Option Orientation : Vertical

Correct Marks : 1 Wrong Marks : 0

The purpose of double taxation relief is:

- (a) Minimise tax liability
- (b) Avoid multiple levy of taxes
- (c) Avoiding multiple levy of taxes in different countries
- (d) All of the above

Question Number : 7 Question Id : 70959721484 Question Type : MCQ Option Shuffling : No Display Question Number : Yes
Single Line Question Option : No Option Orientation : Vertical

Correct Marks : 1 Wrong Marks : 0

Relief from multiple levy of tax between two countries can take place by way of :

- (a) Tax relief approach
- (b) Tax refund approach
- (c) Specific assessment approach
- (d) Government Treaty

Question Number : 8 Question Id : 70959721485 Question Type : MCQ Option Shuffling : No Display Question Number : Yes
Single Line Question Option : No Option Orientation : Vertical

Correct Marks : 1 Wrong Marks : 0

Income from any international transaction is computed with relation to :

- (a) Transaction value
- (b) Open market value
- (c) Arms Length Price
- (d) Related party prices

Question Number : 9 Question Id : 70959721486 Question Type : MCQ Option Shuffling : No Display Question Number : Yes
Single Line Question Option : No Option Orientation : Vertical

Correct Marks : 1 Wrong Marks : 0

Income tax return for a company to be filed by -

- (a) Share holders
- (b) Director
- (c) Managing Director
- (d) Any one of them

Question Number : 10 Question Id : 70959721487 Question Type : MCQ Option Shuffling : No Display Question Number : Yes
Single Line Question Option : No Option Orientation : Vertical

Correct Marks : 1 Wrong Marks : 0

Income tax return for a company is compulsorily to be filed –

- (a) Electronically
- (b) Electronically with digital signature
- (c) Manually
- (d) Printing without signature

Question Number : 11 Question Id : 70959721488 Question Type : MCQ Option Shuffling : No Display Question Number : Yes
Single Line Question Option : No Option Orientation : Vertical

Correct Marks : 1 Wrong Marks : 0

Belated return means –

- a) return not filed
- b) filed before expiry of one year
- c) filed before expiry of one year from the end of assessment year or completion of assessment
- d) none of the above

Question Number : 12 Question Id : 70959721489 Question Type : MCQ Option Shuffling : No Display Question Number : Yes
Single Line Question Option : No Option Orientation : Vertical

Correct Marks : 1 Wrong Marks : 0

Tax to be deducted at the time of

- a) Payment, crediting the account which ever is earlier
- b) Payment
- c) Crediting the account of the vendor
- d) At the end of the quarterly accounts

Question Number : 13 Question Id : 70959721490 Question Type : MCQ Option Shuffling : No Display Question Number : Yes
Single Line Question Option : No Option Orientation : Vertical

Correct Marks : 1 Wrong Marks : 0

Time limit for deposit of monthly TDS :

- a) Within end of next month
- b) Before end of the year
- c) within 7 days of the next month
- d) None of the above

Question Number : 14 Question Id : 70959721491 Question Type : MCQ Option Shuffling : No Display Question Number : Yes
Single Line Question Option : No Option Orientation : Vertical

Correct Marks : 1 Wrong Marks : 0

The gross total income of an Investment Co. consists of

- a) Income from House Property
- b) Capital Gains
- c) Income from other sources
- d) All of the above

Question Number : 15 Question Id : 70959721492 Question Type : MCQ Option Shuffling : No Display Question Number : Yes
Single Line Question Option : No Option Orientation : Vertical

Correct Marks : 1 Wrong Marks : 0

Total income/ taxable income of an assessee depends on

- a) Residential status of the assessee
- b) Place of effective management
- c) Both (a) & (b)
- d) None of the above.

Question Number : 16 Question Id : 70959721493 Question Type : MCQ Option Shuffling : No Display Question Number : Yes
Single Line Question Option : No Option Orientation : Vertical

Correct Marks : 1 Wrong Marks : 0

What type of mistake could be rectified u/s 154 of Income Tax Act :

- a) Clerical mistake
- b) Totalling mistake
- c) Logical mistake
- d) Mistake apparent from record

Question Number : 17 Question Id : 70959721494 Question Type : MCQ Option Shuffling : No Display Question Number : Yes
Single Line Question Option : No Option Orientation : Vertical

Correct Marks : 1 Wrong Marks : 0

Notice of demand under Income Tax act could be issued

- a) Under section 156
- b) Under section 143
- c) Under section 155
- d) Under section 271

Question Number : 18 Question Id : 70959721495 Question Type : MCQ Option Shuffling : No Display Question Number : Yes
Single Line Question Option : No Option Orientation : Vertical

Correct Marks : 1 Wrong Marks : 0

Appeal before Commissioner of Income Tax could be filed –

- a) for the incorrect filing of return
- b) for assessment order
- c) for the tribunal order
- d) Challenging the high court order.

Question Number : 19 Question Id : 70959721496 Question Type : MCQ Option Shuffling : No Display Question Number : Yes
Single Line Question Option : No Option Orientation : Vertical

Correct Marks : 1 Wrong Marks : 0

ITAT stands for

- a) Income Tax Advance Tax
- b) Income Tax Appellate Tribunal
- c) Input Tax Accounting Terminal
- d) Indian Tax Administration Tribunal

Question Number : 20 Question Id : 70959721497 Question Type : MCQ Option Shuffling : No Display Question Number : Yes
Single Line Question Option : No Option Orientation : Vertical

Correct Marks : 1 Wrong Marks : 0

Order of Appellate Tribunal could be contested before –

- a) High Court
- b) Supreme Court
- c) Both of them
- d) None of them

Corporate Tax Planning-2

Section Id :	709597254
Section Number :	2
Section type :	Offline
Mandatory or Optional:	Mandatory
Number of Questions:	10
Number of Questions to be attempted:	10
Section Marks:	30
Display Number Panel:	Yes
Group All Questions:	No

Sub-Section Number:	1
Sub-Section Id:	709597349
Question Shuffling Allowed :	No

Question Number : 21 Question Id : 70959721498 Question Type : SUBJECTIVE Display Question Number : Yes
Correct Marks : 3

Describe the methods of tax planning with suitable example (any three).

Question Number : 22 Question Id : 70959721499 Question Type : SUBJECTIVE Display Question Number : Yes
Correct Marks : 3

Why the tax planning is an appropriate way to minimize the tax liability? Justify your answer.

Question Number : 23 Question Id : 70959721500 Question Type : SUBJECTIVE Display Question Number : Yes
Correct Marks : 3

Describe the tax implications in respect of deemed dividend u/s 2(22)(e) of the Income Tax Act 1961.

Question Number : 24 Question Id : 70959721501 Question Type : SUBJECTIVE Display Question Number : Yes
Correct Marks : 3

State the conditions to be fulfilled to avail deduction by a telecom license company.

Question Number : 25 Question Id : 70959721502 Question Type : SUBJECTIVE Display Question Number : Yes
Correct Marks : 3

Describe the conditions to be satisfied for availing the deduction u/s 32AD of the Income Tax Act 1961.

Question Number : 26 Question Id : 70959721503 Question Type : SUBJECTIVE Display Question Number : Yes Correct Marks : 3

Mention any three tax implications in respect of partnership form of business and company form of business.

Question Number : 27 Question Id : 70959721504 Question Type : SUBJECTIVE Display Question Number : Yes Correct Marks : 3

A private limited company wishes to convert into a limited liability partnership. State any three conditions that need to be fulfilled so that the assets transferred by the company to LLP will not attract capital gain.

Question Number : 28 Question Id : 70959721505 Question Type : SUBJECTIVE Display Question Number : Yes Correct Marks : 3

In case of amalgamation, amalgamated company can enjoy a lot of tax benefits. Mention any three of them.

Question Number : 29 Question Id : 70959721506 Question Type : SUBJECTIVE Display Question Number : Yes Correct Marks : 3

State the tax implications in the hands of demerged company in relation to transfer of assets to a resulting company.

Question Number : 30 Question Id : 70959721507 Question Type : SUBJECTIVE Display Question Number : Yes Correct Marks : 3

Z Ltd. transferred one of its division (D2) by way of slump sale. From the following information, compute cost of acquisition for the purpose of capital gain.

Land Rs.8,00,000/- [revalued by Rs.3,00,000/- five year back]; Plant & Machinery Rs.6,50,000/- [WDV- Rs.5,00,000/-]; other current assets Rs.3,00,000/- and current liabilities Rs.1,50,000/-

Corporate Tax Planning-3

Section Id :	709597255
Section Number :	3
Section type :	Offline
Mandatory or Optional:	Mandatory
Number of Questions:	7
Number of Questions to be attempted:	5
Section Marks:	50
Display Number Panel:	Yes
Group All Questions:	No

Sub-Section Number:	1
Sub-Section Id:	709597350
Question Shuffling Allowed :	No

Question Number : 31 Question Id : 70959721508 Question Type : SUBJECTIVE Display Question Number : Yes Correct Marks : 10

Q Ltd. wishes to purchase a machine costing Rs.5,00,000/- having effective life of 5 years. The company has the following options:

O₁: To purchase by paying the entire cost immediately

O₂: To obtain by lease by paying a lease rent of Rs.1,50,000/- p.a. at the beginning of each year. A lease management fees of Rs.5000/- is payable at the beginning.

Rate of depreciation- 15%; Additional depreciation -20%; Rate of tax- 31.2%; Rate of discount-10%.

[PV of Re.1 at 10% discount: Y1-0.909; Y2-0.826; Y3-0.751; Y4-0.683; Y5-0.621]

Advise the company regarding best option to buy from tax point of view.

Question Number : 32 Question Id : 70959721509 Question Type : SUBJECTIVE Display Question Number : Yes Correct Marks : 10

a) The share capital of R Ltd. comprises 7.5% Preference shares of Rs.2,00,000/- and Equity shares of Rs.2,00,000/-. The company is considering to adopt any one of the following options:

O₁: To declare dividend @30%

O₂: To issue bonus shares at the rate of three shares for every five shares held.

Advise the company with respect to the amount of DDT payable. Rate of DDT is 20.55529%.

b) T Ltd. wishes to sale a machine used for the purpose of scientific research. State the options available to T Ltd.

Question Number : 33 Question Id : 70959721510 Question Type : SUBJECTIVE Display Question Number : Yes Correct Marks : 10

Explain the different methods prescribed under income Tax Act towards determination of arms length price. Which one of the same is most useful and why?.

Question Number : 34 Question Id : 70959721511 Question Type : SUBJECTIVE Display Question Number : Yes Correct Marks : 10

What are the different types of returns filed in respect of Tax Deduction at Source.. Explain the procedure for filing of return in respect of TDS on salary and contractor payment.

Question Number : 35 Question Id : 70959721512 Question Type : SUBJECTIVE Display Question Number : Yes Correct Marks : 10

What are the procedures for assessment in respect of search cases – explain with reference to Income Tax Act.

Question Number : 36 Question Id : 70959721513 Question Type : SUBJECTIVE Display Question Number : Yes Correct Marks : 10

Under what circumstances refund under Income Tax arises? Who can claim refund?

Question Number : 37 Question Id : 70959721514 Question Type : SUBJECTIVE Display Question Number : Yes Correct Marks : 10

The purpose of double taxation avoidance agreement is to avoid multiple levy of taxes in different countries on same income – discuss the provisions of Income Tax Act 1961 in respect of avoidance of taxes.