

**2021/TDC/CBCS/ODD/  
COMDSE-501/502T (B)/350**

**TDC (CBCS) Odd Semester Exam., 2021  
held in March, 2022**

**COMMERCE**

**( 5th Semester )**

Course No. : COMDSE-501/502T (B)

**( Corporate Tax Planning ) -**

Full Marks : 70  
Pass Marks : 28

Time : 3 hours

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

**SECTION—A**

Answer any *twenty* questions as directed :  $1 \times 20 = 20$

1. Central Board of Direct Taxes has been given power to declare any institution as a 'Company' under certain situation.

( Write True or False )

2. Write the full meaning of POME.

( 2 )

3. A company cannot have the status of Not Ordinary Resident.  
( Write True or False )
4. What is Corporate Tax?
5. Mention one reason of tax evasion.
6. LLP is a legal entity separate that of its partners.  
( Write True or False )
7. Any capital expenditure incurred on the purchase of asset for scientific research is allowed as deduction in full.  
( Write True or False )
8. What is meant by nature of business?
9. Dividend distribution tax shall be exempted in the hands of the recipient under Section 10 (34).  
( Write True or False )
10. What do you mean by assessee in default?
11. The decision 'to make or buy' is a costing decision.  
( Write True or False )

( 3 )

12. Write the meaning of repairs.
13. Taxable HRA = Actual HRA received minus \_\_\_\_\_  
( Fill in the blank )
14. For the assessment year, 2021-22, maximum amount of deduction under Section 16(ia) is \_\_\_\_\_.  
( Fill in the blank )
15. What is loss of profit policy?
16. To determine the residential status of an individual, Section 6(1) prescribes two tests.  
( Write True or False )
17. The provisions of advance ruling were inserted by the Finance Act, 1994.  
( Write True or False )
18. Write the full meaning of DTAA.
19. What do you mean by source of income rule?
20. What is transfer pricing mechanism?
21. Name the parties to demerger.
22. What is slump sale?

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23. State one transaction which is not treated as amalgamation.
24. Define subsidiary company.
25. What do you mean by business restructuring?

## SECTION—B

Answer any *five* questions of the following :

2×5=10

26. State any two differences between tax avoidance and tax evasion.
27. State any two essential features of tax planning.
28. State the different forms covered under Section 115-O.
29. State any two incentives that have to be kept in mind while selecting location of business.
30. What are the options for distributing the amount to the shareholders at the time of liquidation of a company?
31. State any two tax advantages for buyer in case of buying an asset.

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( Continued )

( 5 )

32. State the applicability of transfer pricing provisions.
33. State any two special tax provisions relating to computation of income of non-residents.
34. State any two differences between amalgamation and demerger.
35. How is slump sale treated in income tax?

## SECTION—C

Answer any *five* questions of the following :

8×5=40

36. Discuss the merits and limitations of tax planning. 4+4=8
37. Discuss the residential status of a company.
38. Discuss the various tax provisions relating to company form of business.
39. Discuss tax considerations in deciding capital structure.
40. Discuss the methods of savings available to save tax for salaried individual.

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( Turn Over )

41. Discuss the various tax planning hints for expenditure on repairs and renewal.
42. Discuss the provisions of the law relating to double-taxation relief when an agreement with foreign country exists.
43. Explain advance pricing agreement under the Income Tax Act, 1961.
44. Explain the tax provision relating to 'corporatization of non-corporate business'.
45. What are the implications of tax laws on amalgamation relating to the head 'capital gains'?

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held in March, 2022**

**COMMERCE**

**( 5th Semester )**

**Course No. : COMDSE-501/502T (A)**

**( Management Accounting )**

Full Marks : 70

Pass Marks : 28

*Time : 3 hours*

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

**SECTION—A**

**Answer any *twenty* of the following as directed :**

**1×20=20**

- 1. Management Accounting provides decision to the management.**

**(Write True or False)**

- 2. Management Accounting is based on \_\_\_\_\_ information.**

**(Fill in the blank)**

( 2 )

3. Financial Accounting deals with \_\_\_\_ data.  
(Fill in the blank)
4. Publication of Management Accounting statements is not compulsory.  
(Write True or False)
5. The use of Management Accounting is  
(a) compulsory  
(b) optional  
(Choose the correct answer)
6. Budgets are blueprints for action.  
(Write True or False)
7. Budgets are shown in \_\_\_\_ terms.  
(Fill in the blank)
8. A fixed budget is preferable to flexible budget.  
(Write True or False)
9. Name two types of budgets.
10. What is sales budget?
11. Material usage variance = material mix variance + \_\_\_\_.  
(Fill in the blank)

( 3 )

12. Idle time variance = Idle hours  $\times$  Actual Rate.  
(Correct the formula)
13. What is the main purpose of standard costing?
14. What is Historical Cost?
15. Variance analysis is foundation of standard cost.  
(Write True or False)
16. Contribution is also known as Gross Margin.  
(Write True or False)
17. What is an angle of incidence?
18. P/V ratio can be improved by reducing \_\_\_\_.  
(Fill in the blank)
19. Give marginal cost equation.
20. What is contribution?
21. Fixed costs are not taken into consideration in differential cost analysis.  
(Write True or False)
22. What is Relevant Cost?

( 4 )

23. What is decision making?
24. Mention two methods of pricing decision.
25. What is make or buy decision?

## SECTION—B

Answer any *five* of the following questions :  $2 \times 5 = 10$

26. Define Management Accounting.
27. Write two duties of a Management Accountant.
28. Name four types of functional budget.
29. Define Cash Budget.
30. What is meant by Variance Analysis?
31. Write two limitations of standard costing.
32. What is Cost-Volume-Profit Analysis?
33. Define margin of safety.
34. Write two factors influencing make or buy decision.
35. What are the two benefits of relevant costs?

( 5 )

## SECTION—C

Answer any *five* of the following questions :  $8 \times 5 = 40$

36. Write in detail the nature and scope of Management Accounting.  $4 + 4 = 8$
37. Distinguish between cost control and cost reduction.
38. Distinguish between fixed budget and flexible budget.
39. With the following data for a 60% capacity, prepare a budget for Pankaj Kumar Tiwari & Co. having production at 80% and 100% capacity :

Production at 60% activity	600 units
Material	₹ 100 per unit
Labour	₹ 40 per unit
Expenses	₹ 10 per unit
Factory Expenses	₹ 40,000 (40% fixed)
Administration Expenses	₹ 30,000 (60% fixed)

40. Explain the steps in the implementation of standard costing in an organization.
41. (a) Write the reasons behind material price variance.

- (b) Standard time and rate for unit component 'z' are given below :

Standard hours per unit	15
Standard rate	₹ 4 per hour

The actual data and related information are :

Planned production	1200 units
Actual production	1000 units
Actual hours	15300 hours
Actual rate	₹ 3.90 per hour

Calculate Labour Cost Variance. 4+4=8

42. Outline the differences between absorption costing and marginal costing.
43. The sales turnover and profit during two years were as follows :

Year	Sales (₹)	Profit (₹)
2020	1,40,000	15,000
2021	1,60,000	20,000

You are required to calculate :

- (i) P/V ratio
- (ii) Sales required to earn a profit of ₹ 40,000
- (iii) Profit when sales are ₹ 1,20,000

44. Discuss the factors influencing pricing decisions.
45. The components of an item are manufactured by another unit under the same management. The unit at present manufactures 100000 units at the following costs :

	₹
Materials	5,00,000
Labour	2,50,000
Overheads	2,00,000
	<u>9,50,000</u>

Labour is paid @ ₹ 2 per unit, the fixed DA and other allowances monthly. The components required by the main factory are to be increased by 20%. The components factory can increase production upto 25% without any additional labour force. Overheads are variable to the extent of 25% of the present amount. The additional requirement may be purchased from the market at ₹ 8.50 per unit. Suggest which will be better decision for management.

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