

MAY 2012

**P/ID 77523/PMEG/  
PMBF3**

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Time : Three hours

Maximum : 100 marks

PART A — (5 × 6 = 30 marks)

Answer any FIVE questions.

All questions carry equal marks.

1. What do you mean by Income tax law and what are its schemes?
2. “Tax planning is within four corners of the Act and it is not a colorable device to avoid the tax,”  
Comment.
3. Enumerate any six transactions, which are not regarded as transfer for the purpose of capital gains tax under section 47 of the IT. Act.
4. Enumerate the difference between the valuation of income for a registered and a nonregistered firm.
5. Explain the sections 44 AD/AE/AF.
6. What is MAT? When is it applicable?

7. Write a short note on :
  - (a) Carry forward and set off of speculation loss.
  - (b) Carry forward and set of capital loss.
8. Explain the basis for valuation of excise duty.

PART B — (5 × 10 = 50 marks)

Answer any FIVE questions.

All questions carry equal marks.

9. Discuss the nature of custom duty levied Under customs act 1962.
10. Describe “Tax Implications on International Joint Venture”.
11. Explain restriction on availing depreciation in respect of Capital goods on which Cenvat credit has been availed.
12. Explain the Income Tax provisions relating to the assessment of individuals.
13. Explain in brief the procedure for assessment and clearance of imported goods from customs port.
14. Explain the features of Venture Capital Company.

2      **P/ID 77523/PMEG/  
PMBF3**

15. Discuss the method of taxation on non residents.  
16. Elaborate the important concepts of Income tax.

PART C — (1 × 20 = 20 marks)

(Compulsory)

17. Given below is the P & L A/C of K, L, M & Associates, a partnership firm for the previous year 2007-2008.

Particular	Rs.	Particular	Rs.
Purchase	15,45,000	Sales	35,00,000
Direct and Indirect	8,00,000	Interest on securities	
Expense	2,00,000 (TDS-Rs. 5,000)		45,000
Depreciation	2,00,000		
Interest to partners	6,60,000		
Salaries to partners	1,40,000		
Net profit	<u>35,45,000</u>		<u>35,45,000</u>

You are further informed :

- (a) Depreciation allowable as per Section 32 is Rs. 1, 50,000  
(b) Purchase include cash purchase of Rs. 30,000  
(c) A, B, C share profits in the ratio of 4:3:3 C is a sleeping partner  
(d) Interest is paid to partners @20% p.a. interest is authorized by partnership deed

3      **P/ID 77523/PMEG/  
PMBF3**

- (e) Salaries, authorized by partnership deed are paid to all the partners equally.

Compute :

- (i) Book profit and
- (ii) Total income of the firm in the following cases :
- (1) It is a professional form
  - (2) It is a business form
  - (3) It does not file the return of its income, leading to best judgment assessment.
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