

Signature of Invigilator .....	<b>To be filled in by candidate by ball-point pen only</b>	OMR Sl. No.
	Roll No. _____	_____
Time of Examination .....	<b>Declaration : I have read and understood the instructions given below.</b>	
Date of Examination .....	Full Signature of Candidate .....	<b>Full Marks : 80/50</b>
	Name of Candidate .....	<b>Time : 1 hour</b>

Number of Questions in the Booklet } **50/40**



**UU 6th Semester Examination, 2020**

**INSTRUCTIONS TO CANDIDATES**

- Immediately after getting the booklet read instructions carefully mentioned on the front and back page of the Question Booklet. Do not open the seals unless asked by the Invigilator.
- Write your Roll No., OMR Response Sheet No., in the specified places given above and put your signature.
- Write the subject code of the booklet in your OMR Sheet.
- Make all entries in the OMR Response Sheet as per the given instructions; otherwise OMR Response Sheet will not be evaluated.
- After opening the seals, ensure that the Question Booklet contains total no. of pages as mentioned above and printing of all the **50 / 40** questions are proper. If any discrepancy is found, inform the invigilator within **15** minutes and get the correct Question Booklet.
- For each question in the Question Booklet choose the correct option from the given four alternatives and darken the same circle in the OMR Response Sheet with Black or Blue ball-point pen.
- Darken the circle of correct answer properly; otherwise answers will not be evaluated. The candidate will be fully responsible for it.
- If more than one option is darkened for a particular question, then it will be treated as wrong answer.
- After completion of the examination, only OMR Response Sheet is to be handed over to the invigilator.

**THERE IS NO NEGATIVE MARKING FOR WRONG ANSWER**



## CORPORATE TAX PLANNING(DSE-III)

(Answer any 40 questions)

- 1 The income tax act came into force from\_\_\_\_\_.
  - (A) 1st march 1971
  - (B) 1st april 1971
  - (C) 1st march 1961
  - (D) 1st april 1962
- 2 The income tax came into force all over India except\_\_\_\_\_.
  - (A) Andaman & Nicobar
  - (B) Maldives
  - (C) Jammu&Kashmir
  - (D) None of the above
- 3 The way of tax liability by taking full advantage provided by the act is\_\_\_\_\_.
  - (A) Tax management
  - (B) Tax avoidance
  - (C) Tax planning
  - (D) Tax evasion
- 4 The company may have residential status as\_\_\_\_\_.
  - (A) Resident or Non resident
  - (B) Not ordinary resident
  - (C) non resident
  - (D) Resident
- 5 The tax incidence for company or firm in which income recieved in India and company for non resident is\_\_\_\_\_.
  - (A) Taxable
  - (B) Non-Taxable
  - (C) Partly taxable
  - (D) None of the above
- 6 \_\_\_\_\_of income tax is related to residential status.
  - (A) section 2
  - (B) section 6
  - (C) section 5
  - (D) section 4
- 7 \_\_\_\_\_is exempted from income tax.
  - (A) Interest from Indian company
  - (B) Dividend from Foriegn company
  - (C) co-operative dividend
  - (D) Dividend from Indian company
- 8 Previous year means the financial year immediatly preceeding the \_\_\_\_\_.
  - (A) accounting year
  - (B) assessment year
  - (C) All of the above
  - (D) none of the above
- 9 Tax evasion is a\_\_\_\_\_method of saving tax.
  - (A) legal
  - (B) illegal
  - (C) both of the above
  - (D) none of the above
- 10 The agricultural income of a company is totally exempted under\_\_\_\_\_section
  - (A) section 2(31)
  - (B) section 10(1)
  - (C) section 2(17)
  - (D) section 10(20A)

- 11 \_\_\_\_\_ is a person by whom any tax or any other sum of money is payable under the income tax act.
- (A) An assessee  
(B) An individual  
(C) An employee  
(D) A manager
- 12 \_\_\_\_\_ must be one in which two or more persons join in common purpose or common action.
- (A) Firm  
(B) An association of persons  
(C) Company  
(D) body of individual
- 13 \_\_\_\_\_ of the company is required to file the return of total income of the company on or before 31st October of the assessment year.
- (A) Director  
(B) principal officer  
(C) chairman  
(D) employee
- 14 HUF is a separate and distinct \_\_\_\_\_
- (A) person  
(B) assessee  
(C) family  
(D) tax entity
- 15 Legally a partnership firm does not have a separate entity from that of the partners constituting the firm as the partners are the \_\_\_\_\_ of the firm.
- (A) assessee  
(B) owners  
(C) share holders  
(D) employee
- 16 Activities connected with the production or purchase and sale of goods or services with the object of earning profit are called \_\_\_\_\_.
- (A) production activities  
(B) sales activities  
(C) profit activities  
(D) business activities
- 17 \_\_\_\_\_ means a company which has made investments in shares or long term finance to enterprise wholly engaged in the business of infrastructure facility.
- (A) infrastructure capital company  
(B) independent capital company  
(C) investment infrastructure company  
(D) none of the above
- 18 A/AN \_\_\_\_\_ carrying on business of growing and manufacturing tea or coffee in India is entitled for deduction.
- (A) employee  
(B) manager  
(C) assessee  
(D) farmer
- 19 \_\_\_\_\_ refers to the proportion of various long term sources of finance being used by the company.
- (A) cost of capital  
(B) capital budgeting  
(C) capital structure  
(D) none of the above
- 20 \_\_\_\_\_ source of finance is 100% tax deductible
- (A) equity shares  
(B) preference shares  
(C) debentures  
(D) none of the above

- 21 Value of the firm depends on the earnings of the firm and earnings of the firms depends upon the \_\_\_\_\_ of the firm.
- (A) profits
  - (B) investment decisions
  - (C) capital
  - (D) expenditure
- 22 Lease financing decisions, involve a choice between \_\_\_\_\_ versus lease financing.
- (A) profit financing
  - (B) fixed financing
  - (C) regular financing
  - (D) debt financing
- 23 The firm has other options for distributing \_\_\_\_\_ to shareholders like bonus shares and stock.
- (A) gifts
  - (B) money
  - (C) profits
  - (D) shares
- 24 \_\_\_\_\_ allowances is fully taxable among the four allowances given below under section 17(3).
- (A) house rent allowances
  - (B) dearness allowances
  - (C) allowances to member of UPSC
  - (D) entertainment allowance
- 25 \_\_\_\_\_ provident fund started in the year 1925 with a view of promoting the savings amongst government employees.
- (A) Statutory provident fund
  - (B) Recognized provident fund
  - (C) Unrecognized provident fund
  - (D) Public provident fund
- 26 Any benefit given by employer to employee whether in cash or in kind is known as \_\_\_\_\_.
- (A) perquisites
  - (B) allowances
  - (C) bonus
  - (D) none of the above
- 27 The \_\_\_\_\_ shall be deemed to have been provided by the employer to his employees, if the employee has incurred any expenses on or made any payment for the purposes like entertainment, provision of hospitality etc.
- (A) capital benefits
  - (B) fringe benefits
  - (C) profit benefits
  - (D) Interest benefits
- 28 An insurance policy taken up by a business house on the life of any of its important employees whose contribution is significant for the running and growth of the business is known as \_\_\_\_\_.
- (A) whole life insurance policy
  - (B) keyman insurance policy
  - (C) disability insurance policy
  - (D) none of the above
- 29 Under \_\_\_\_\_ section of the income tax act 1961, the term Non-resident has been defined.
- (A) section 2(30)
  - (B) section 6(1)
  - (C) section 6(2)
  - (D) section 6(3)

- 30 \_\_\_\_\_ arises when the jurisdictional correction used by different countries overlap or the tax payers may have connections with more than one country.
- (A) overlap  
(B) double taxation  
(C) treaties  
(D) violation
- 31 \_\_\_\_\_ refers to the price at which financial transactions of trading purchase/sale, transfer of services, transfer of assets and liabilities takes place between two or more associated enterprises.
- (A) transfer pricing  
(B) global pricing  
(C) international pricing  
(D) none of above
- 32 Non-resident person other than a company, having total income exceeding the maximum exemption limit is liable to pay tax at the same rate as in the case of \_\_\_\_\_.
- (A) companies  
(B) resident assessee  
(C) corporate client  
(D) government employee
- 33 In order to enjoy non-residential status, individuals who are visiting India on a business trip, or in some other connection, should not stay in India for more than \_\_\_\_\_ days during one previous year.
- (A) 180 days  
(B) 182 days  
(C) 184 days  
(D) none of the above
- 34 Employee remuneration refers to the reward or compensation given to the employees for their \_\_\_\_\_.
- (A) work performance  
(B) salaries  
(C) paid leaves  
(D) motivation
- 35 \_\_\_\_\_ is not a fringe benefit among these following benefits.
- (A) interest free loans  
(B) free meals during lunch hours  
(C) gift/vouchers  
(D) house rent allowances
- 36 \_\_\_\_\_ is a fusion between two or more enterprises, whereby the identity of one or more is lost and the result is a single enterprise.
- (A) merger  
(B) amalgamation  
(C) demerger  
(D) union
- 37 In order to avail of the benefits under the Income Tax Act, the companies must satisfy the definition of “amalgamation” under section \_\_\_\_\_.
- (A) 3(1B)  
(B) 2(2B)  
(C) 3(2B)  
(D) 2(1B)
- 38 \_\_\_\_\_ signifies blending of two or more existing undertakings into one undertaking.
- (A) demerger  
(B) amalgamation  
(C) union  
(D) merger

- 39 The term, \_\_\_\_\_ has been defined to mean a group of asset falling within a class of assets in respect of which the same percentage of depreciation is prescribed.
- (A) assets  
(B) capital assets  
(C) basic assets  
(D) block of assets
- 40 The liability to tax on capital gains arises only if there is a \_\_\_\_\_ of capital asset.
- (A) addition  
(B) substitution  
(C) transfer  
(D) loss
- 41 \_\_\_\_\_ is the deduction on account of the actual cost of a particular asset for a certain percentage.
- (A) appreciation  
(B) depreciation  
(C) profits  
(D) loss
- 42 The shareholders holding not less than \_\_\_\_\_ in value of shares in the demerged company other than shares already held there in immediately before the demerger.
- (A) three-fourths  
(B) one-fourths  
(C) two-thirds  
(D) one-fifths
- 43 If the asset is partly used for the business or profession and partly used for personal purpose, cost of the asset attributable to the business use shall be taken as a base bar.
- (A) calculation of loss  
(B) calculation of profit  
(C) computation of depreciation  
(D) computation of appreciation
- 44 Every assessee, in the case of slump sale, shall furnish along with the return of income, a \_\_\_\_\_ of a chartered accountant.
- (A) account  
(B) report  
(C) analysis  
(D) verification
- 45 Tax issues relating to slump sale comes under \_\_\_\_\_ section.
- (A) section 50(B)  
(B) section 50(A)  
(C) section 47  
(D) none of the above
- 46 The company whose undertaking is transferred to demerger, is known as \_\_\_\_\_.
- (A) demerged company  
(B) resulting company  
(C) amalgamated company  
(D) none of the above
- 47 In case of amalgamation, the company which loses its identity is called \_\_\_\_\_.
- (A) amalgamating company  
(B) amalgamated company  
(C) partnership firm  
(D) none of the above

48 \_\_\_\_\_ is not a party in case of a demerger.

- (A) demerged company
- (B) resulting company
- (C) amalgamated company
- (D) all of the above

49 \_\_\_\_\_ are not treated as a agricultural income.

- (A) income from polutary farming
- (B) income from bee heaving
- (C) purchase of standing crop
- (D) all of the above

50 PAN stands for\_\_\_\_\_.

- (A) private bank number
- (B) permanent account number
- (C) personal account number
- (D) passive account number.