

Code: 12E01405

MBA (Finance) IV Semester Regular Examinations September/October 2014

CORPORATE TAXATION

(For students admitted in 2012 only)

Time: 3 hours

Max Marks: 60

Answer any FIVE questions

All questions carry equal marks

- 1 Why it is necessary to distinguish between capital receipt and revenue receipt? How would you decide whether a particular receipt is capital or revenue? Explain.
- 2 (a) Explain the following:
(b) Tax incentives for SEZ.
(c) Tax incentives for software companies.
- 3 Explain the procedure for exports and imports of custom duty.
- 4 (a) What are the powers of the tribunal (CESTAT) to grant extension of stay under section 35(C) 2A of the Central Excise Act, 1944?
(b) How can a decision, order, summon or notice be served to the intended person under section 37 C(1) (a) of the Central Excise Act, 1944?
- 5 Briefly explain the important terms and definitions of VAT.
- 6 Discuss briefly whether a person, who is not liable to pay service tax and has collected an amount representing service tax, is liable to pay the amount to department.
- 7 Krishna Rao is serving in High power Ltd., Hyderabad, and furnishes the following information regarding his income earned during the year ended on 31st March.
Salary 40, 000 pm, Bonus 3000
His own contribution to a recognized PF 4,000.
Employer's contribution to the above fund 5,000.
The employer has provided him with a 14.5 HP motor car. All the expenses of running and maintaining the car including the chauffeur's salary are met by the employer. Krishna Rao uses the car for official as well as personal purpose. He has paid Rs 5,000 as insurance premium on his own life and profession tax of Rs 2,000. Compute his salary income.

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- 8 Mr. Srinivasa Rao owns the following assets 01-04-2013. Find out the amount of depreciation for the assessment year 2014-15.

Assets	Actual Cost	WDV on 01-04-2013	Rate of Depreciation
Building No 26	9,87,000	7,89,000	10%
Building No 27	8,76,000	6,78,000	20%
Building No 28	7,65,000	5,65,000	5%
Plant No 1	2,46,000	1,65,000	25%
Furniture No 10	6,80,000	4,44,000	10%
Plant No 2	3,57,000	3,33,000	40%
Plant No 3	16,00,000	12,55,000	25%
Furniture No 11	1,90,000	2,00,000	15%

The assets purchased by Mr. Srinivasa Rao during the year are as follows:

Assets	Cost	Date of Purchase	Rate of Depreciation
Building No 29	4,35,700	04-12-2013	20%
Building No 30	5,80,380	10-01-2014	10%
Building No 12	5,85,100	15-02-2014	10%
Plant No 4	1,00,000 (Plant erected but not yet started using)	18-02-2014	25%
Plant No 5	9,63,000	20-02-2014	40%
Plant No 6	8,90,000	01-03-2014	25%

The assets sold by Mr. Srinivasa Rao during the previous year 2013-14 are as under.

Assets	Date of Sale	Selling Price
Building No 27	30-10-2013	6,80,000
Plant No 2	30-10-2013	3,40,000
Plant No 3	10-11-2013	12,00,000
Furniture No 11	28-11-2013	1,75,000
