

Faculty of Commerce

End Semester Examination May 2025

CM3EA07 Tax Planning & Procedures

Programme	:	B.Com. (Hons.)	Branch/Specialisation	:	-
Duration	:	3 hours	Maximum Marks	:	60

Note: All questions are compulsory. Internal choices, if any, are indicated. Assume suitable data if necessary. Notations and symbols have their usual meaning.

Section 1 (Answer all question(s))				Marks	CO	BL
Q1. Minimum Alternate Tax (MAT) is applicable to:				1	1	2
<input type="radio"/> Individuals			<input checked="" type="radio"/> Companies			
<input type="radio"/> Partnership firms			<input type="radio"/> All taxpayer			
Q2. Tax planning aims to:				1	1	2
<input type="radio"/> Increase tax liability			<input type="radio"/> Avoid tax payments illegally			
<input checked="" type="radio"/> Ensure tax compliance and minimize liability			<input type="radio"/> Increase government revenue only			
Q3. Which section provides deductions for new industrial undertakings?				1	2	1
<input checked="" type="radio"/> Section 80-IA			<input type="radio"/> Section 10(10D)			
<input type="radio"/> Section 12A			<input type="radio"/> Section 54			
Q4. Which location-based incentive is provided to businesses?				1	2	2
<input type="radio"/> Increased corporate tax			<input type="radio"/> Import restrictions			
<input type="radio"/> Higher GST rates			<input checked="" type="radio"/> SEZ tax exemptions			
Q5. How does capital structure affect tax planning?				1	3	2
<input type="radio"/> Through equity financing only			<input type="radio"/> Through debt financing and interest deductions			
<input type="radio"/> It has no impact			<input type="radio"/> None of the above			
Q6. Bonus shares are issued to:				1	3	2
<input type="radio"/> Pay off company debts			<input type="radio"/> Decrease corporate profits			
<input type="radio"/> Increase taxable income			<input checked="" type="radio"/> Reduce tax liability of shareholders			
Q7. What is the difference between tax planning and tax management?				1	4	2
<input type="radio"/> Both are the same			<input type="radio"/> Tax management deals with tax evasion			
<input type="radio"/> Tax planning is illegal			<input checked="" type="radio"/> Tax planning is proactive; tax management is administrative			
Q8. Tax audits help in:				1	4	2
<input type="radio"/> Avoiding tax evasion			<input type="radio"/> Maintaining proper accounts			
<input type="radio"/> Ensuring tax compliance			<input checked="" type="radio"/> All of the above			
Q9. Permanent Account Number (PAN) is issued by:				1	5	1
<input type="radio"/> RBI			<input type="radio"/> SEBI			
<input checked="" type="radio"/> Income Tax Department			<input type="radio"/> Ministry of Finance			

Q10. Online tax filing is:

1 5 2

- Required for specific taxpayers
- A voluntary process
- Mandatory for individuals
- Not allowed

Section 2 (Answer all question(s))

Q11. Describe tax planning.

Marks CO BL
2 1 2

Rubric	Marks
Description	2

Q12. Discuss the scope of tax planning in India.

3 1 2

Rubric	Marks
Scope of tax planning (each scope carry one mark) .	3

Q13. (a) Differentiate between tax evasion and tax avoidance.

5 1 3

Rubric	Marks
Difference (each difference carry one mark)	5

(OR)

(b) Explain Indian corporate tax types in brief.

Rubric	Marks
Explain tax planning	1
Objectives of tax planning	2
Significance of tax planning	2

Section 3 (Answer all question(s))

Q14. What is a Free Trade Zones (FTZs).

Marks CO BL
2 2 3

Rubric	Marks
Explain Free Trade Zones	2

Q15. (a) Explain under which section of the Income Tax Act is deduction available to new industrial undertakings.

8 2 3

Rubric	Marks
Income Tax Act is deduction	8

(OR)

(b) Differentiate between a merger and an amalgamation in tax context.

Rubric	Marks
difference between a merger and an amalgamation in tax context	8

Section 4 (Answer all question(s))

Q16. What do you mean by borrowed funds?

Marks CO BL
2 3 4

Rubric	Marks
borrowed funds	2

Q17. (a) What is the difference between using own funds and borrowed funds to purchase assets?

8 3 3

Rubric	Marks
difference between using own funds and borrowed funds to purchase assets	8

(OR)

- (b)** Explain the role of tax planning and financial decision-making. Name one financial decision that has tax implications.

Rubric	Marks
as per answer	8

Section 5 (Answer all question(s))

Marks CO BL

Q18. Define tax management.

2 4 2

Rubric	Marks
Define tax management.	2

Q19. (a) What is an appeal in income tax? What is the difference between appeal and revision in taxation?

8 4 2

Rubric	Marks
difference between appeal and revision in taxation	8

(OR)

- (b)** Describe the tax avoidance is a part of tax management or tax planning? Differentiate between tax planning and tax management.

Rubric	Marks
Difference (each difference carry one mark)	8

Section 6 (Answer any 2 question(s))

Marks CO BL

Q20. Explain the concept of e-filing and its benefits for taxpayers.

5 5 3

Rubric	Marks
Explain e-filing	1
Features of e-filing	2
benefits of e-filing for taxpayers.	2

Q21. Explain the procedure of permanent account number to obtain it in tax filling.

5 5 3

Rubric	Marks
procedure of Permanent account number to obtain it.	5

Q22. Explain the drawbacks of manual filing of returns in tax filing.

5 5 3

Rubric	Marks
Explain the drawbacks of manual filing of returns in tax filing.	5
