



THE AMERICAN COLLEGE, MADURAI

(An Autonomous Institution Affiliated to Madurai Kamaraj University)

Re-accredited (2nd Cycle) by NAAC with Grade "A", CGPA – 3.46 on a 4-point scale

Backlog Arrear Examination, March 2021

PCO 5603

Business Taxation

Time: 3 Hours

Maximum Marks: 75

Answer any FIVE of the following questions:

(5 x 15 =75)

- 1) Explain the history of Income Tax in India.
- 2) Discuss the main objectives of Tax planning.
- 3) X Traders Limited is a company in which the public are substantially interested. It closes its accounts on 31st March every year. During the current year, it has derived the following incomes:
 - a) Profit from tile manufacturing unit at Lucknow Rs.3,20,000
 - b) Profit from trading activities at Lucknow Rs.1,00,000
 - c) Interest on debentures of a company which is a domestic company producing cement Rs.25,000 (gross)
 - d) Dividend from a foreign company Rs.10,000
 - e) Profit from an approved hotel started in February 2001 at Kanpur Rs.2,10,500. Capital employed being Rs.15,00,000 and normal depreciation Rs.60,000 has not been charged in the calculation of above profit
 - f) The company passed on a certain formula for manufacturing tiles to another company in Uganda and received royalty there from Rs.2,10,000
 - g) Brought forward unabsorbed depreciation Rs.39,000
- Book profit as per section 115 JB Rs.25,00,000

You are required to calculate total income of the company and final tax liability of the company.

- 4) Elaborate the provisions of section 80A regarding general rules for deductions from G.T.I.
- 5) Describe the Non - agriculture incomes.
- 6) Enumerate the types of assessment under Income Tax Act, 1961.
- 7) Depict the concept of TDS.