[This question paper contains 2 printed pages.]

Your Roll No...............

Sr. No. of Question Paper : 7538 **L**

Unique Paper Code : 2923100023

Name of the Paper : Business Tax Planning

Name of the Course : **B.A. (H) Business Economics (NEP)**

Semester : VIII

Duration : 3 Hours Maximum Marks : 90

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. This paper contains **six** questions. Attempt any **five** of them.
3. **All** questions carry equal marks.
4. Use of simple calculator is allowed.

1. A company is evaluating different ways to reduce its tax burden legally. The finance manager suggests restructuring transactions rather than hiding income.

   (a) Based on the above, explain Tax Planning and its objectives. (9)

   (b) Distinguish between Tax Planning, Tax Avoidance and Tax Evasion with suitable examples from the scenario. (9)

2. ABC Ltd. is deciding between debt financing and equity financing for expansion. The management is also planning dividend distribution for the year.

   (a) Explain how capital structure decisions impact tax liability. (9)

   (b) Analyse the tax implications of dividend policy decisions. (9)

3. Explain the Rationale of GST in India. How has the transition from the old Indirect Tax regime helped in removing the "Tax on Tax" (Cascading) effect? Support your answer with a simple example. (18)

OR

Determine the time/place of supply (whichever is applicable), in the following cases. Justify your answer with a short explanation. (6x3=18)

(a) A buyer in Jaipur orders goods from a supplier in Delhi but asks them to deliver it directly to his client in Ahmedabad.

(b) A Delhi-based exporter supplies goods to a customer in the USA, but delivery is made to a warehouse in Chennai.

(c) A catering contractor provides meals on a train running from Chennai to Hyderabad. The food is stocked onto the train at Chennai before departure.

(d) Goods are received on 5th April. Payment is made on 30th May. No invoice is issued.
(e) Invoice is issued on 5th August, but goods are delivered on 20th August. Payment is received on 25th August.
(f) A supplier receives ₹50,000 advance on 1st Jan for goods and balance on delivery (20th Jan). Invoice issued on 18th Jan.

4. M/S Zenith Electronics, a registered distributor in Karnataka, provides the following transaction details for March 2026 (GST Rate 18%):

1. **Inward Supplies (Purchases):**
   - Laptops purchased from a manufacturer in Tamil Nadu: ₹15,00,000.
   - Office furniture purchased from a local vendor in Bangalore: ₹2,00,000.
   - Electrical fittings for the showroom purchased locally: ₹1,00,000.
2. **Outward Supplies (Sales):**
   - Supplied goods to a retail chain in Kerala: ₹18,00,000.
   - Sold inventory to a local customer in Mysore: ₹5,00,000.
   - Supplied spare parts to a SEZ (Special Economic Zone) developer (Zero-rated): ₹3,00,000.

   Calculate:

(a) The total Input Tax Credit (ITC) available under IGST, CGST, and SGST.
(b) The Output Tax Liability for the month.
(c) Net GST payable in cash after the maximum utilization of available ITC. (18)

5. (a) A small trader with an annual turnover of ₹75 lakhs is considering opting for the Composition Scheme under GST to simplify compliance. Explain the features and eligibility conditions of the Composition Scheme. Advise whether the trader should opt for the scheme, stating advantages and limitations. (9)

(b) Explain the Dual GST Model adopted in India. How does this model ensure the distribution of tax revenue between the Centre and the States? Illustrate your answer with suitable examples. (9)

6. Write short notes on **any 3**: (3x6=18)

(a) Place of supply of goods in GST
(b) Minimum Alternate Tax (MAT)
(c) Reverse Charge
(d) Appeals under GST
(e) Input tax credit