

M.Com. Part- II Examination, 2021 (DDE)

**Subject: Commerce
(Paper 15: Direct Tax)**

Time: 2 Hours

Full Marks: 40

*The figures in the margin indicate full marks.
Candidates are required to give their answers in their own words
as far as practicable*

Answer any four of the following questions

10X4=40

1. (a) Explain in short the process of Summary Assessment.
(b) Write a brief note on the Revised Return. (5+5)
2. Discuss in brief comparable uncontrolled price method and profit split method with example with respect to arm's length price calculation. (5+5)
3. a) Show with a suitable numerical example that "for a particular level of operating earning if a project is financed through debt, the wealth of the shareholders will be maximized".
b) "Make or buy decision gets largely influenced by the mechanism using which a fixed asset is obtained by an enterprise keeping other variable cost considerations same" -Explain (5+5)
4. Discuss in brief the provision of Section 35 of the Income Tax Act, 1961. 10
5. (a) State the provision of Section 64(2) of the Income Tax Act, 1961 regarding clubbing of the income from the converted property belonging to HUF.
(b) Narrate the clubbing provision regarding the revocable transfer of assets. (5+5)
6. Discuss in brief the provisions of Income Tax Act, 1961 relating to carry forward and set off of losses from the speculative and non-speculative business. 10