

SOMAIYA

VIDYAVIHAR UNIVERSITY

Dr. Shantilal K. Somaia School of Commerce and Business Studies

QUESTION PAPERS

BRANCH: Master of Commerce (Accounting & Finance)	SEM: III
	NOV-2024

Sr. No.	Subject	Available
1.	131P25E303 – Auditing Including Management Audit	
2.	131U03V501 – International Taxation	
3.		
4.		
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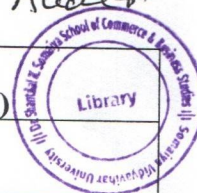


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M Af
Sem III
Audit



Semester (July 2024 to October 2024)			
Examination: End Semester Examination November 2024 (PG Programmes)			
Programme code: 25		Class: SY	Semester: III
Programme: Master in Accounting and Finance			
Name of the Constituent College: S K Somaiya College		Name of the Department: Accounting and Finance	
Course Code: 131P25E303		Name of the Course: Auditing including Management Audit	
Duration : 2 Hrs.		Maximum Marks : 60	
Instructions: 1)Draw neat diagrams 2)Assume suitable data if necessary			



Question No.		Max. Marks	Co Attainment
Q.1	A. Mr. A is an auditor of X Ltd. In the course of an audit, he came across an incidence of fraud. State provisions of Sec 143 with respect to auditors' duty in the event of fraud.	05	CO 1
	B. Explain the concept of propriety audit in the context of government audit.	05	CO 5
	C. X Pvt. Ltd. has a total turnover of Rs. 125 lakhs in the previous year and ABC & Co., a partnership firm engaged in trading of electronic goods, has a turnover of Rs. 165 lakhs in the previous year. State applicability of tax audit for both the entities by giving reference to relevant provisions of Income Tax Act, 1961.	05	CO 3
Q.2	A. State the requirements of sec 143 (1) and 143 (2) of the companies Act, 2013 with respect to audit report. OR	15	CO 1
	B. Describe stages in conducting audit of the banks.	15	CO 2
Q.3	A. Illustrate peculiar audit areas peculiar to life insurance business. OR	15	CO 2
	B. State qualification and disqualification of tax auditor u/s 288 of income tax Act.	07	CO 3
	AND C. Discuss the format and content of tax audit report under sec 44AB of Income tax Act.	08	CO 3
Q.4	A. Define Energy Audit. Draft energy conservation checklist to be considered as a management audit process. OR	15	CO 4
	B. Discuss points to be considered for audit of hospitals.	15	CO 5

April 2025 Lib A.T.K.T.

MAF



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VIDYAVIHAR UNIVERSITY

International Tax



Semester (July 2024 to October 2024)

Examination: End Semester Examination October/November 2024 (UG/ PG Programmes)

Programme code: 03/ 25

Programme: Bachelor of Commerce in Accounting and Finance Honours / Master of Commerce in Accounting and Finance

Class: TY/ SY

Semester: V/ III

Name of the Constituent College:

S K Somaiya College

Name of the Department:

Accounting and Finance

Course Code: 131U03V501

Name of the Course: International Taxation

Duration : 2 Hrs

Maximum Marks : 60 marks

Instructions:

- 1) All questions are compulsory.
- 2) Use of a simple calculator is permitted.
- 3) Figures to the right indicate the marks assigned to the questions.
- 4) Working notes should form part of your answers

Question No.		Max. Marks	CO
Q1. A.	<p>Mr. A, a resident of UAE, receives interest income from an Indian company. In light of the India UAE DTAA, explain the taxability in the hands of Mr. A in India. Your analysis should include details of process and documentation requirements for availing the DTAA benefits, if any. Assume that Mr. A is liable to tax at 20% as per the provisions of the Indian Income-tax Act, 1961. (15 marks)</p> <p>The relevant extract from the India UAE DTAA has been reproduced for your reference:</p> <p>"ARTICLE 11 - INTEREST</p> <ol style="list-style-type: none"> 1. Interest arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State. 2. However, such interest may be taxed in the Contracting State in which it arises and according to the laws of that State, but if the recipient is the beneficial owner of the interest, the tax so charged shall not exceed : <ol style="list-style-type: none"> (a) 5 per cent of the gross amount of the interest if such interest is paid on a loan granted by a bank carrying on a bona fide banking business or by a similar financial institution ; and (b) 12.5 per cent of the gross amount of the interest in all other cases. 3. Notwithstanding the provisions of paragraph (2) interest arising in a Contracting State shall be exempt from tax in that State provided it is derived and beneficially owned by : <ol style="list-style-type: none"> (i) the Government, a political sub-division or a local authority of the other Contracting State ; or (ii) the Central Bank of the other Contracting State..." 	15	03

	OR		
Q1. B.	<p>Mr. A, a resident of Mauritius, transfers shares in an Indian company on 15 June 2022 and earns capital gains. The shares in the Indian company were acquired on 1 April 2019. In light of the India Mauritius DTAA, explain the taxability in the hands of Mr. A in India. Your analysis should include details of process and documentation requirements for availing the DTAA benefits, if any. (15 marks)</p> <p>The relevant extract from the India Mauritius DTAA has been reproduced for your reference:</p> <p><i>"ARTICLE 13- CAPITAL GAINS</i></p> <p><i>.....</i></p> <p><i>3A. Gains from the alienation of shares acquired on or after 1st April 2017 in a company which is resident of a Contracting State may be taxed in that State.</i></p> <p><i>3B. However, the tax rate on the gains referred to in paragraph 3A of this Article and arising during the period beginning on 1st April, 2017 and ending on 31st March, 2019 shall not exceed 50% of the tax rate applicable on such gains in the State of residence of the company whose shares are being alienated;</i></p> <p><i>4. Gains from the alienation of any property other than that referred to in paragraphs 1, 2, 3 and 3A shall be taxable only in the Contracting State of which the alienator is a resident.]</i></p> <p><i>5. For the purposes of this article, the term "alienation" means the sale, exchange, transfer, or relinquishment of the property or the extinguishment of any rights therein or the compulsory acquisition thereof under any law in force in the respective Contracting States."</i></p>	15	03
Q2. A.	Explain in detail the process and procedure for Advance Ruling. (15 marks)	15	04
	OR		
Q2. B.	<p>a) Explain the double taxation relief provisions under the Income-tax Act, 1961. (7 marks)</p> <p>b) Describe the concept of Service PE and explain whether stewardship activities of a foreign company in India would constitute a Service PE for the foreign company in India. Further, explain the nature of activities that would be considered as stewardship activities. (8 marks)</p>	15	02

Q3. A.	<p>Mr. Kamesh, an individual resident in India aged 52 years, furnishes you the following particulars of income earned in India, Country "X" and Country "Y" for the previous year 2023-24. India has not entered into double taxation avoidance agreement with these two countries.</p> <p>Income from profession carried on in India - Rs.7,50,000 Agricultural income in Country "X" (gross) - Rs.50,000 Dividend from a company incorporated in Country "Y" (gross) - Rs.1,50,000 Royalty income from a literary book from Country "X" (gross) - Rs.6,00,000 Expenses incurred for earning royalty - Rs.50,000 Business loss in Country "Y" (Proprietary business) - Rs.65,000 Rent from a house situated in Country "Y" (gross) - Rs.2,40,000 Municipal tax paid in respect of the above house in Country "Y" (not allowed as deduction in country "y") - Rs.10,000</p> <p>Note: Business loss in Country "y" not eligible for set off against other incomes as per law of that country. The rates of tax in Country "X" and Country "Y" are 10% and 20%, respectively. Compute total income and net tax liability of Mr. Kamesh in India for Assessment Year 2024-25, assuming that he opted out of the default tax regime under section 115BAC. (15 marks)</p>	15	02
	OR		
Q3. B.	<p>Ms Catherine, a non-resident who is resident of Canada, holds 7% of the total share capital in M/s ABC Ltd, a company incorporated in Mauritius which is registered as a Cat I Foreign Portfolio Investor in India. M/s ABC derives its value substantially from assets in India. Ms Catherine transfers her entire share capital in M/s ABC Ltd to Mr. Singh, an Indian resident. Evaluate whether the income earned by Ms Catherine on transfer of shares in M/s ABC Ltd would be chargeable to tax in India. Explain your answers with detailed reference to the provisions contained in the Income-tax Act, 1961. (15 marks)</p>	15	01
Q4	<p>Answer the following: (5 marks each)</p> <p>a) Calculate the income-tax liability for Ms Khusha whose net taxable income is Rs. 3,42,10,000 for AY 2024-25. Ms Kusha has opted out of the default regime under section 115BAC. (5 marks)</p> <p>b) A salesman from Mauritius Co, a company based in Mauritius, regularly visits a major customer in India to take orders and meets the purchase director in his office. Analyse the case and explain whether this would constitute a Fixed Place PE for Mauritius Co in India. (5 marks)</p>	15	01, 02



	c) Explain how the residential status of a HUF is determined as per the provisions of section 6 of the Income-tax Act, 1961. (5 marks)		
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