

S.No. : 272

BBAP 3406

No. of Printed Pages : 04

Following Paper ID and Roll No. to be filled in your Answer Book.

**PAPER ID : 37324**

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**B. B. A. (P) Examination 2021-22**

**(Even Semester)**

**FINANCIAL REPORTING-II**

*Time : Three Hours]*

*[Maximum Marks : 60*

**Note :-** Attempt all questions.

**SECTION – A**

1. Attempt all parts of the following :  $8 \times 1 = 8$

- (a) What do you mean by corporate tax?
- (b) Give two examples of indirect tax.
- (c) What are the sources of ethical codes?
- (d) What is meant by shared services?
- (e) What is corporate residence?
- (f) What is accounting depreciation?

**[ P. T. O.**



- (g) What is tax treatment of gifted land?
- (h) Define rollover relief.

### SECTION – B

2. Attempt any two parts of the following :  $2 \times 6 = 12$

- (a) Discuss the features of indirect and direct taxation that typically apply to an incorporate entity.
- (b) Discuss the fundamental principles of CIMA's code of ethics for professional accountant.
- (c) What do you mean by double taxation? What are the methods available for double taxation relief?
- (d) In the year ended 31 december 2015 ABC company decided to sell an building that they had bought 10 year previously. The building had cost \$300,000 plus legal fees of \$ 3,000 and was sold for \$ 600,000. Indexation allowance of 30% of the cost of the asset was allowed for the effects of inflation. The building had been extended when purchased initially costing \$ 100,000 and cost to sell \$6,000 were increased on the sale. Capital gains are taxed at 20%. Calculate the capital tax payable.



**SECTION – C**

**Note:-** Attempt all questions. Attempt any two parts from each questions.  $8 \times 5 = 40$

3. (a) Explain the difference between accounting profit and taxable profit.
- (b) Explain the basis of taxation.
- (c) In the year ended 31/12/2013. John boy Company had profit before tax of \$ 30,000. This was after the deduction of personal expenses that were disallowable for tax purposes worth \$ 4700. In addition Johnboy co. had \$ 7000 of income exempt from taxation. John boy co.s non-current assets totaled \$ 35,000 and those were being depreciated at 25% on cost. Tax is payable at 20%. Calculate the tax payable for the year ended 31/12/2013.
4. (a) Discuss the approach to corporate governance in different market.
- (b) Discuss the benefits of business process re-engineering.

**[ P. T. O. ]**



- (c) Discuss the need and scope of corporate governance regulation.
5. (a) Distinguish between branch and subsidiary.
- (b) Discuss the methods use by tax authorities to minimise tax evasion and tax avoidance.
- (c) Joe has an investment of 25% of equity share in xyz, an entity resident in a foreign country Joe receives a dividend of \$ 9000 from xyz, the amount received after deduction of with holding tax of 10%. xyz had profit before tax for the year of \$ 12,00,000 and paid corporate income tax of \$ 2,00,000. Calculate the amount of underlying tax.
6. (a) What is capital losses? What are the methods of relieving capital losses?
- (b) What is tax depreciation? What assets are eligible for tax depreciation?
- (c) What are allowable and disallowable expenditure and its treatment while calculating income tax?

