

MBA III Semester Regular Examinations November/December 2018

**AUDITING & TAXATION**

(For students admitted in 2017 only)

Time: 3 hours

Max. Marks: 60

**SECTION – A**

(Answer the following: (05 X 10 = 50 Marks)

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- 1 What do you mean by audit & explain its importance in relation to joint stock companies & multinational corporations?

**OR**

- 2 What are the principles in maintaining vouchers to fulfill the auditor's requirements?

- 3 Explain the flow chart of audit programme of a company. Illustrate with all departments responsibilities.

**OR**

- 4 What do you understand about working papers? What is the role of an auditor & financial accounting department?

- 5 How powerful the position of a company auditor is in preparing & guiding auditor's report?

**OR**

- 6 How far an auditor can fix the value of assets and liabilities following international accounting standards?

- 7 (a) Compute the tax liability of Mr. A (aged 42), having total income of ₹ 51 lakhs for the assessment year 2019-20. Assume that his total income comprises of 'salary income', 'income under the head house property' & 'interest for fixed deposit account'.

- (b) Explain the basic concept of direct tax.

**OR**

- 8 Who person can enjoy the residential status & what are the incomes which are taxable to a resident person?

- 9 Give the structure of regulatory framework of GST act.

**OR**

- 10 What are the practical issues/problems faced by businessmen in e-way billing.

**SECTION – B**

(Compulsory question, 01 X 10 = 10 Marks)

- 11 **Case Study:**

XYZ Ltd. took over the running business of a sole-proprietor by a sale deed. As per the sale deed, XYZ Ltd. undertook to pay overriding charges of Rs.15,000 p.a. to the wife of the sole-proprietor in addition to the sale consideration. The sale deed also specifically mentioned that the amount was charged on the net profits of XYZ Ltd., who had accepted that obligation as a condition of purchase of the going concern. Is the payment of overriding charges by XYZ Ltd. to the wife of the sole-proprietor is the nature of diversion of income or application of income? Discuss.

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