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**PRESIDENCY UNIVERSITY**

**Bengaluru**

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| **End - Term Examinations – JANUARY 2025** |
| **Date:** 03- 01 - 2025 **Time:** 1:00 pm – 4:00 pm |

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| **School:** SOL | **Program:** BA LL.B/BBA LL.B/B.Com LL.B (Hons) | |
| **Course Code:** LAW121 | **Course Name:** Law of Taxation | |
| **Semester**: IX | **Max Marks**:100 | **Weightage**: 50% |

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| **CO - Levels** | **CO1** | **CO2** | **CO3** | **CO4** | **CO5** |
| **Marks** | **20** | **20** | **25** | **15** | **20** |

**Instructions:**

1. *Read all questions carefully and answer accordingly.*
2. *Do not write anything on the question paper other than roll number.*

**Part A**

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| **Answer ALL the Questions. 10 x 2 Marks=20 Marks** | | | | |
| **1** | Discuss in brief the key difference between a tax and a cess? | **2 Marks** | **L1** | **CO1** |
| **2** | What is an indirect tax? | **2 Marks** | **L1** | **CO1** |
| **3** | What is clubbing of income? | **2 Marks** | **L1** | **CO1** |
| **4** | Write a key difference between direct and indirect tax. | **2 Marks** | **L1** | **CO1** |
| **5** | What are the five heads of income under the Income Tax Act? | **2 Marks** | **L1** | **CO1** |
| **6** | Describe the income exempted under the Income Tax Act 1961. | **2 Marks** | **L2** | **CO2** |
| **7** | Differentiate between sales tax and Excise | **2 Marks** | **L2** | **CO2** |
| **8** | Briefly discuss the concept of Income Tax Credit | **2 Marks** | **L2** | **CO2** |
| **9** | What is Custom Duty | **2 Marks** | **L2** | **CO2** |
| **10** | Define Excisable Goods under the Central Excise Act 1944 | **2 Marks** | **L2** | **CO2** |

**Part B**

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| **Answer the Questions Total 80 Marks** | | | | | |
| **11.** |  | How would you explain the difference between tax evasion and tax avoidance? | **10**  **Marks** | **L1** | **CO1** |
| **or** | | | | | |
| **12.** |  | What is mean by assessment and explain different types of assessment under Income Tax Act 1961. and  the basic steps involved in the procedure for tax assessment? | **5 Marks**  **5 Marks** | **L1** | **CO1** |
|  |  |  |  |  |  |
| **13.** |  | Discuss the Conditions for Levy and Collection of Excise Duty under the Central Excise Act, 1944? | **10**  **Marks** | **L2** | **CO2** |
| **or** | | | | | |
| **14.** |  | Describe Summarize various types of customs duty collected under the Custom Act 1962. | **10**  **Marks** | **L2** | **CO2** |

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| **15.** |  | Scenario: A manufacturer in State A produces excisable goods and clears them from the factory without payment of excise duty, claiming that the goods are intended for export. However, the goods are diverted for domestic sale.  Apply the provisions of the Central Excise Act 1944 to assess the tax implications of this transaction and the steps the manufacturer should take to comply with excise duty rules. | **10**  **Marks** | **L3** | **CO3** |
| **Or** | | | | | |
| **16.** |  | Scenario: A company is engaged in the manufacturing of excisable goods and uses certain raw materials imported from another country. They clear the goods from the factory under an excise duty exemption, claiming that the goods are used for manufacturing exports.  Apply the necessary provisions of the Central Excise Act to verify whether the exemption is applicable in this case and suggest any corrective actions if required. | **10**  **Marks** | **L3** | **CO3** |

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| **17.** |  | Scenario: A company produces and clears goods on which excise duty is payable based on the ad valorem method, i.e., calculated as a percentage of the transaction value. The company is unsure whether the sale price includes any discounts that could affect the excise duty calculation.  Apply the principles for calculating excise duty and evaluate how discounts should be treated in the determination of excise duty liability. | **10 Marks**  **5 Marks** | **L3** | **CO3** |
| **Or** | | | | | |
| **18.** |  | Scenario: M/s XYZ Chemicals Ltd. imported a machine from ABC Inc. at USA (Boston). The price of the machine was contracted at USD 12500 and the machine was shipped on 1st February, 2024. Meanwhile XYZ Chemicals, renegotiated a price reduction owing to the past relationship, and this price reduction was agreed vide an e-mail and a fax on 15th February, 2024. The machine arrived in India (Mumbai Port) on 1st March, 2024.  The assessing authorities claimed that the duty would be payable basis the Original Contracted price, pre - shipment.  Please advise your stand as a Tax Consultant to XYZ Chemicals Ltd. Explain the conditions for levy and collection of Custom Duty under the Custom Act 1962. | **10**  **Marks**  **5 Marks** | **L3** | **CO3** |

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| **19.** |  | Evaluate whether the use of HSN (Harmonized System of Nomenclature) codes simplifies GST compliance or adds complexity for businesses. | **15**  **Marks** | **L4** | **CO4** |
| **Or** | | | | | |
| **20.** |  | Analyse the role of Harmonized System of Nomenclature (HSN) for classification of goods and service under the Goods and Services Act,2017. | **15**  **Marks** | **L4** | **CO4** |

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| **21.** |  | A wholesaler sells goods to a retailer and offers discounts that are conditional upon achieving a certain sales target.  Evaluate whether such discounts should be included in the transaction value for GST purposes. | **15 Marks**  **5 Marks** | **L5** | **CO5** |
| **Or** | | | | | |
| **22.** |  | A hotel offers a package that includes accommodation, breakfast, and free Wi-Fi.  Evaluate whether this constitutes a composite supply or a mixed supply under GST and its impact on valuation. | **10 Marks**  **10 Marks** | **L5** | **CO5** |

**\*\*\*\*\* BEST WISHES \*\*\*\*\***