Roll No.												

PRESIDENCY UNIVERSITY

BENGALURU

End - Term Examinations – December 2025

Date: 27- 12- 2025 **Time:** 09:30am – 12:30pm

School: SOM-PG	**Program:** MBA	
Course Code: MBA3102	**Course Name:** Taxation	
Semester: III	**Max Marks**: 100	**Weightage**: 50%

CO - Levels	CO1	CO2	CO3	CO4	CO5
Marks	**16**	**26**	**29**	**29**	**-NA-**

Instructions:

(i) Read all questions carefully and answer accordingly.

(ii) Do not write anything on the question paper other than roll number.

Part A

Answer ALL the Questions. Each question carries 3 marks. 10Q x 3M=30M

1.	Explain the various categories of advantages that individuals gain by filing their income tax returns	**3 Marks**	**L2**	**CO1**
2.	Describe the concept of Best Judgment Assessment and Income Escaping Assessment under income tax law.	**3 Marks**	**L2**	**CO1**
3.	Summarize the types of entities that must file Income Tax Returns using ITR-7 as per income tax regulations.	**3 Marks**	**L2**	**CO2**
4.	Describe the types of companies for taxation purposes and state how corporate tax applies to each category.	**3 Marks**	**L2**	**CO3**
5.	Summarize the three consequences of not filing a return of income by the due date.	**3 Marks**	**L3**	**CO2**
6.	Explain how to determine the residential status of a company based on prescribed conditions and classify it into the correct residential category.	**3 Marks**	**L3**	**CO3**
7.	Explain the concept of Dividend Distribution Tax (DDT) and its significance in corporate taxation	**3 Marks**	**L2**	**CO3**
8.	Describe the various Goods and Services Tax (GST) rates prescribed under the Finance Act, 2025.	**3 Marks**	**L3**	**CO4**

9.	Interpret the concept of Deemed Supply under GST and illustrate it with relevant examples.	**3 Marks**	**L3**	**CO4**
10.	Describe why certain commodities have been kept outside the purview of Goods and Services Tax (GST).	**3 Marks**	**L2**	**CO4**

Part B

Answer the Questions. Each question carries 10 marks. **4Q X 10M = 40 Marks**

11.	**a.**	Case Study: Mrs. Sana Ahmed, a 56-year-old homemaker, has no income other than interest from a fixed deposit of Rs. 20 lakh. The bank has deducted TDS of Rs. 20,000 on her total annual interest income of Rs. 2,00,000. She is surprised, as her income is below the maximum exemption limit and she is not required to file an income tax return mandatorily. a) What remedies are available to her? b) What could she have done to prevent the bank from deducting TDS?	**10 Marks**	**L2**	**CO1**
		Or			
12.	**a.**	Demonstrate how the provisions of the Income Tax Act 1961 can be applied to determine when a company is eligible to carry forward and set off its depreciation and business losses.	**10 Marks**	**L3**	**CO3**
13.	a.	Discuss in brief the 'taxable event' and the scope of the term 'supply' under Goods and Services Tax (GST) law.	**10 Marks**	**L3**	**CO4**
		Or			
14.	**a.**	Examine whether the following transactions or activities are to be regarded as a supply of goods or a supply of services: a) Transfer of right to use goods b) Works contracts and catering services c) Goods supplied on a hire-purchase basis	**10 Marks**	**L3**	**CO4**
15.	**a.**	The following incomes of Mr. Prakash Jain for the Previous Year 2025-26	**10 Marks**	**L3**	**CO3**

S. No	Particulars	Amounts Rs.
1	Dividend from Reliance Industry	10000
2	Profit from business in USA received in India	120000
3	Profit from business in UK deposited in a bank there. The Business is controlled from India	200000
4	Profit from Business in Indore	110000

	(Controlled by London Head Office)	
5	Interest received from a non-resident Mr. Rahman on the loan provided to him for a business carried on in India	50000
6	Income was earned in America and received there, but brought in India	80000
7	Share of income from Indian Partnership Firm	150000
8	Income from house property in India received in America (Computed)	62000
9	Interest on debentures of an Indian company received in Dubai	25000
10	Capital Gain on sale of agricultural land situated at Ajmer	48000
	Compute his taxable income, if he is	
	A) Resident	
	B) Not-ordinary resident	
	C) Non-resident	

Or

16.	**a.**	Discuss the different categories of income that are classified under the residual head 'Income from Other Sources' according to the provisions of the Income Tax Act.1961	**10 Marks**	**L3**	**CO2**

17.	**a.**	Compute tax liability, MAT credit, MAT credit carry forward (C/F), MAT credit set off and Net tax liability from the following	**10 Marks**	**L4**	**CO3**

Year	**2021-22**	**2022-23**	**2023-24**	**2024-25**
Normal tax	1000000	1200000	800000	600000
Minimum Tax (MAT)	800000	1600000	1800000	100000

Or

18.	**a.**	Apply the provisions of the Income Tax Act to distinguish between admissible and inadmissible expenses while computing a company's tax liability.	**10 Marks**	**L3**	**CO3**

Part C

Answer all the Questions. Each question carries 15marks **2Q x 15M=30M**

19.	**a.**	Reddy & Co Ltd is a domastic company, providing you following statement of profit and loss showing the Net profit of Rs. 18,88,000 for computation of tax liability for the Assessment Year 2026-27	**15 Marks**	**L3**	**CO3**

Profit and Loss Account

Particulars	Amount Rs	Particulars	Amount Rs
Purchases	1875000	Sales	7525000
Direct wages	845000	Closing stock A/C	110000

Fright	12500	Dividends from Indian Domestic company	17500
Salaries	850000		
General expenses	435000		
Sales expenses	215000		
Director's remuneration	822000		
Income tax	180000		
Penalty (Excise)	10000		
Proposed dividend	320000		
Provision for losses of subsidiary company	200000		

Additional information

1) Purchases include one bill of Rs. 60000 against which payment was made in cash

2) General expenses include Rs. 15000 as interest on loan taken from Scheduled Bank. The interest has not been paid so far

3)

	As per IT Act Rs.	As per Books of A/C Rs.	
Brought forward losses	280000	140000	
Un- absorb depreciation	170000	50000	

Calculate Tax liability for the Assessment Year 2026-27

20.		Mr. Dravid, aged 58 years, has a taxable salary income of Rs. 6,10,000. He also owns a flat that is rented out for Rs. 19,000 per month throughout the financial year 2025-26. During the year, he paid municipal tax of Rs. 5,000 and incurred Rs. 30,000 on repairs for the flat. He has taken a housing loan for the purchase of the flat, on which the interest for the year amounts to Rs. 1,15,000 and the principal repaid is Rs. 85,000. He also contributed Rs. 25,000 to his provident fund and paid Rs. 29,000 as interest on an education loan. His employer has deducted TDS of Rs. 9,000. Compute the taxable income and tax payable by Mr. Dravid for the Assessment Year 2026-27 under the old tax regime.	**15 Marks**	**L4**	**CO2**