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# PRESIDENCY UNIVERSITY

Presidency University Act, 2013 of the Karnataka Act No. 41 of 2013 | Established under Section 2(f) of UGC Act, 1956  
Approved by AICTE, New Delhi | Approved By BCI  
Bengaluru

## Even Semester Mid Term, March 2026

**Date: 11/03/2026**

**Time: 02:00 PM - 03:30 PM**

**Course Code: LAW3010**

**Course Name: Law of Taxataion**

**Semester: Eight Semester**

**Max. Marks: 50**

**Weightage: 50%**

CO - Levels	CO1	CO2
Marks	48	222

### PART-A: Answer Following Questions. 10 M

Qn.No	Questions	M	CO	BT
1	Define Direct Tax and Indirect Tax with examples.	2	CO1	BT2
2	What are Adam Smith's Canons of Taxation?	2	CO1	BT2
3	Define Assessee under the Income Tax Act,1961.	2	CO1	BT2
4	What is Previous Year, state with example?	2	CO1	BT2
5	What is rule relating to Tax Avoidance?	2	CO1	BT2

### PART-B: Answer Any 1 Following Questions. 10 M

Qn.No	Questions	M	CO	BT
6	The Constitution enumerate the provisions for the Central and State relation Explain constitutional provisions governing taxation powers in India with reference to constitutional provision..	10	CO1	BT3
7	Discuss division of taxing powers between Union and States and role of GST Council for the allocationand distribution of the tax among States.	10	CO1	BT4

### PART-C: Answer Any 1 Following Questions. 10 M

Qn.No	Questions	M	CO	BT
8	Discuss residential status and its impact on tax liability.	10	CO2	BT2

9	Define Tax and state its characteristics.	10	CO2	BT4
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**PART-D: Answer Any 1 Following Questions. 10 M**

Qn.No	Questions	M	CO	BT
10	Explain evolution of taxation systems and development of modern perspectives on canons of taxation with relevant examaples.	10	CO2	BT4
11	<p>Ms. Y owns a commercial complex. She: Lets out shops on rent Provides air-conditioning, security and maintenance Charges composite rent She claims the income as business income.</p> <p>Question: Examine whether income is taxable under “Income from House Property” or “Business Income.” State legal principles involved.</p>	10	CO2	BT5

**PART-E: Answer Any 1 Following Questions. 10 M**

Qn.No	Questions	M	CO	BT
12	<p>A taxpayer arranges his financial affairs to reduce tax liability through legal investments.</p> <p>Distinguish whether this is tax planning, avoidance or evasion with reasons.</p>	10	CO2	BT3
13	<p>Mr. X is appointed as a “consultant” by a company. He receives: Monthly fixed remuneration Bonus linked to company performance Reimbursement of travel expenses Rent-free accommodation The company deducts TDS under salary provisions.</p> <p>Question: Classify the income under appropriate head(s) and determine whether Mr. X’s income should be taxed under “Salary” or “Profits and Gains of Business or Profession.” Give reasons.</p>	10	CO2	BT4