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Bengaluru

Mid Term Examinations - October 2026

Date: 05/10/2026 **Time:** 02:00 PM - 03:30 PM

Course Code: CBS2030 **Course Name:** Income Tax Law - I

Semester: Third Semester **Max. Marks:** 50 **Weightage:** 50%

CO - Levels	CO1	CO2
Marks	92	88

PART A: Answer Following Questions. 10 M

Q.N.	Questions	M	CO	BT
1	Define Tax.	2	CO1	BT2
2	Distinguish between Assessment Year and Previous Year.	2	CO1	BT2
3	Describe the meaning of Total Income and Gross Total Income.	2	CO1	BT2
4	Explain the meaning of “Person” for income-tax purposes.	2	CO2	BT2
5	Explain the meaning of “Income” for income-tax purposes.	2	CO2	BT2

PART B : Answer Any 1 Following Questions. 10 M

Q.N.	Questions	M	CO	BT
6	Describe the concept of incomes exempt from tax and explain why certain incomes are granted exemption under the Income Tax Act.	10	CO1	BT3
7	Distingushed between direct taxes and indirect taxes.	10	CO1	BT3

PART C: Answer Any 1 Following Questions. 10 M

Q.N.	Questions	M	CO	BT
8	A government introduces a new tax with clearly specified tax rates, due dates and payment procedures. Taxpayers can pay the tax online, and the government incurs minimum administrative expenses in collecting it. Apply the relevant canons of taxation to this situation and explain how each canon is satisfied.	10	CO1	BT4
9	Explain the basic concepts of Income Tax covered under the Income Tax Act, including Assessee, Deemed Assessee, Assessee-in-default.	10	CO1	BT3

PART D: Answer Any 1 Following Questions. 10 M

Q.N.	Questions	M	CO	BT
10	James, a British professional sportsperson, visits India for 115 days in every financial year. He has been following this practice for the past 10 financial years. (a) Determine his residential status for the tax year 2026–27. (b) Would your answer change if James were an Indian citizen residing in the United Kingdom and representing the UK sports team? (c) What would be your answer if the Indian citizen had visited India for 130 days instead of 115 days every year, including tax year 2026–27?	10	CO2	BT3

11	From the following particulars of income furnished by Ms. Priya pertaining to the year ended 31.03.2027, compute her Total Income for Tax Year 2026–27, if she is: (i) Resident and ordinarily resident; (ii) Resident but not ordinarily resident; (iii) Non-resident. Particulars (a) Profit from business carried on in India, received in India 75,000 (b) Interest on deposits with a bank in London, received in London 30,000 (c) Rent from property situated in Canada, received in Canada 50,000 (d) Dividend from an Indian company, received in Canada 12,000 (e) Agricultural income from land situated in Punjab 35,000	10	CO2	BT4

PART E: Answer Any 1 Following Questions. 10 M

Q.N.	Questions	M	CO	BT
12	Mr. Karan and Mr. Mohan are brothers. Mr. Karan has been residing in Dubai since 2000, while Mr. Mohan resides in Chennai. The following are their incomes for the Tax Year 2026–27. Compute their Gross Total Income.	10	CO2	BT4

Sr. No.	Particulars	Mr. Karan (₹)	Mr. Mohan (₹)
1	Interest on foreign bonds, received outside India	50,000	40,000
2	Dividend from an Indian company, received in Dubai	20,000	25,000
3	Profits from business in Delhi, managed from Dubai	1,40,000	1,60,000
4	Long-term capital gain on sale of shares of an Indian company, received in India	80,000	95,000
5	Salary for services rendered in India, received in Dubai	1,00,000	—
6	Income from business carried on in Singapore and controlled from India	1,20,000	1,10,000
7	Interest on fixed deposit with a bank in Chennai	15,000	18,000
8	Rent from house property situated in Mumbai (computed)	75,000	60,000
9	Agricultural income from land situated in Tamil Nadu	30,000	35,000
10	Life insurance premium paid	20,000	25,000

13	Ms. Meera, an Indian citizen aged 38 years, was working in an Indian company in Chennai. She received an employment offer from XYZ Ltd., UK, on 15.05.2025. She left India for employment on 01.07.2025. During the Tax Year 2026–27, she visited India from 01.06.2026 to 30.09.2026. Her income for the Tax Year 2026–27 is as follows:	10	CO2	BT3

Particulars	₹
Salary from XYZ Ltd., UK, received in UK	9,00,000
Dividend from Indian companies	5,00,000
Agricultural income from land situated in Tamil Nadu	75,000
Rent received from house property situated in Chennai	4,20,000
Profits from business in UK, managed from India	6,00,000

Determine the residential status of Ms. Meera and compute her Total Income for the Tax Year 2026–27.