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**PRESIDENCY UNIVERSITY
BENGALURU**

**SCHOOL OF LAW
END TERM EXAMINATION - JAN 2023**

Semester : SEMESTER - VII

Course Code : LAW121

Course Name : Sem VII - LAW121 - Principles of Taxation

Program : LLB (All)

Date : 13-JAN-2023

Time : 1.00PM - 4.00PM

Max Marks : 100

Weightage : 50%

Instructions:

- (i) Read all questions carefully and answer accordingly.
- (ii) Question paper consists of 3 parts.
- (iii) Scientific and non-programmable calculator are permitted.

PART A

ANSWER ALL THE FOLLOWING QUESTIONS

10 X 2 = 20M

1. Distinguish between capital gain and income. (CO1) [Knowledge]
2. Describe the expenses that can be deducted from capital gains. (CO2) [Knowledge]
3. Briefly discuss income that is exempt from tax under the Income Tax Act, of 1961. (CO3) [Knowledge]
4. Elucidate the doctrine of immunity of instrumentalities. (CO3) [Knowledge]
5. Characterize various principles and rules for the proper administration of the tax system. (CO4) [Knowledge]
6. Describe Best Judgement Assessment. (CO4) [Knowledge]
7. Determine the advantages of E-Filing. (CO3) [Knowledge]
8. Determine the powers of the Commissioner of Income-tax regarding search and seizure under Section 132 of the Income-tax Act. (CO3) [Knowledge]
9. Explain Capital expenditure and Revenue expenditure with Examples. (CO2) [Knowledge]
10. Determine the difference between Tax and Cess with Examples. (CO1) [Knowledge]

PART B

ANSWER ALL THE FOLLOWING QUESTIONS

4 X 10 = 40M

11. X was the managing agent of a company. He was entitled to a commission at the rate of 10% p.a. on the annual net profits of the company. A part of the company's income was agricultural income. X claimed that since his remuneration was calculated with reference to the income of the company, part of which was agricultural income, such part of the commission as was proportionate to the agricultural income was exempt from income tax.
(CO4) [Comprehension]
12. Mr A, a member of a HUF, received ` 10,000 as his share from the income of the HUF. Is such income includible in his chargeable income? Examine with reference to the provisions of the Income-tax Act, 196
(CO1) [Comprehension]
13. Compensation on account of disaster received from a local authority by an individual or his/her legal heir is taxable. Examine the correctness of the statement with reference to the provisions of the Income-tax Act, 196
(CO1) [Comprehension]
14. S is the Manager of the agricultural farm. He receives a monthly salary of Rs.50,000. For this amount, he claims exemption from payment of income tax on the ground that he has received the amount as agricultural income. Decide.
(CO1) [Comprehension]

PART C

ANSWER ALL THE FOLLOWING QUESTIONS

2 X 20 = 40M

15. Write a short note on:
a. Capital gain exempted from tax
b. Long-term capital gain
c. Short-term capital gain
(CO2) [Application]
16. "No tax shall be levied or collected except by authority of law". Comment on the constitutional basis of taxation and double taxation avoidance agreement.
(CO1) [Application]
