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31/10/25

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Reg. No.....

Name.....

FIVE YEAR B.A., LL.B./B.B.A., LL.B./B.Com., LL.B. (HONS) DEGREE

EXAMINATION, SEPTEMBER 2025

Eighth Semester

FL 25—PRINCIPLES OF TAXATION LAW

(2021 Admissions-Regular/2018 to 2020 Admissions—Supplementary)

Time : Three Hours

Maximum Marks : 75

Part A

Write short notes on any five of the following.

Each question carries 3 marks.

1. Cannons of taxation.
2. Inter-Governmental Tax Immunities.
3. 'Annual Value' of a house property.
4. Capital Gains.
5. Deduction of tax at source.
6. Cascading effect of taxes.

(5 × 3 = 15 marks)

Part B

Answer any three of the following problems.

Each question carries 10 marks.

7. State, with reasons, whether the following are capital or revenue receipts/expenditure :
 - (a) Rs. 50,000 spent in connection with obtaining a licence for running a cinema hall ;
 - (b) Rs. 3,00,000 received as compensation for termination of contract of agency ;
 - (c) Lump sum received as advance rent ; and
 - (d) Payment to an employee to retain him in job.

Turn over

8. Mr. 'X', the 'Karta' of a Hindu Undivided Family is Resident but Not Ordinarily Resident in India during the previous year 2023-24 in his personal capacity. He managed the affairs of the HUF partly within India and partly outside India. Determine the residential status of the HUF for the Assessment Year 2024-25.
9. Mrs. 'P' sells a portion of her jewellery on 01/08/2023 for Rs. 15,00,000 which was acquired on 10/08/2022 for Rs. 12,00,000. Compute the capital gains in the relevant assessment year taxable in her hands.
10. Mr. 'A' is engaged in the work of constructing lorry bodies fitted on the chassis supplied by his customers. The Assessing Authority contends that this amounts to sale of goods but Mr. 'A', the assessee, claims that this is a contract for work and labour. Decide.

(3 × 10 = 30 marks)

Part C

Answer any two of the following questions.

Each question carries 15 marks.

11. "The incidence of taxation varies with change in the residential status of the assessee". Explain.
12. Enumerate the incomes chargeable under the head "Profits and Gains of Business or Profession" and also explain, in brief, the specific deductions under provisions of the Income Tax Act, 1961.
13. Explain in detail the circumstances in which the income of other persons is liable to be included in the income of an individual.

(2 × 15 = 30 marks)