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Reg. No.....

Name.....

**B.A.,LL.B./B.B.A., LL.B./B.Com., LL.B. (HONS.) DEGREE EXAMINATION
MARCH 2024**

Eighth Semester

FL 25—PRINCIPLES OF TAXATION LAW

(2019 Admissions—Regular/2018 Admissions—Supplementary)

Time : Three Hours

Maximum : 75 Marks

Part A

*Write short notes on any five of the following.
Each question carries 3 marks.*

1. Constitutional basis of taxation.
2. Difference between 'application of income' and 'diversion of income'.
3. 'Tax avoidance' and 'tax evasion'.
4. Conditions for Depreciation Allowance.
5. Representative Assessee.
6. 'Suply' without consideration under GST.

(5 × 3 = 15 marks)

Part B

*Answer any any three of the following problems.
Each question carries 10 marks.*

7. Ascertain the residential status of the Assesseees in the following cases for the Assessment Year 2021-2022 :
 - (a) 'X', a citizen of India, left for U.S.A. on 18th April, 2020 and did not return to India till the end of the Financial Year 2020-21.
 - (b) 'Y', a citizen of India, left for U.S.A. for a job on September 10, 2020. He has never left India earlier.
8. ABC Ltd. entered into an agreement with PQR Ltd. for purchase of an additional machinery. One of the conditions in the agreement was that if PQR Ltd. failed to supply the machinery within the stipulated time, ABC Ltd. would be compensated at 5 % of the price of the machinery without proof of actual loss. ABC Ltd. received Rs. 8.50 lakhs from PQR Ltd. by way of liquidated damages on account of its failure to supply the machinery within the stipulated time. What is the nature of liquidated damages received by ABC Ltd. ? Whether it is a capital receipt or a revenue receipt ? Decide giving cogent reasons.

Turn over

9. Mr. 'X' owns a house property. Following are the details about the property :

Municipal value of house—Rs. 72,000 per annum.

Fair rent of house—Rs. 66,000 per annum.

Standard rent of house—Rs. 60,000 per annum.

The house was let out at Rs. 6,000 per month but was sold on 1st January, 2021. Find out income from house property for the Assessment Year 2021-22.

10. Under a scheme of finance, Maruti Ltd. gives the possession of one car to the buyer in January, 2018. It agrees to transfer the ownership of the car to the buyer in January, 2021 upon payment of full consideration of Rs. 9,60,000 in installments as agreed. What will be the nature of this transaction under provisions of the CGST Act ? Is the transaction liable for GST ? If yes, in which year ?

(3 × 10 = 30 marks)

Part C

Answer any two of the following questions.

Each question carries 15 marks.

11. What is 'Capital Gains'? Distinguish between long-term and short-term capital gains. What is the rationale of imposing tax on capital gains as part of income taxation ? Discuss in brief, the provisions relating to computation of tax under the head 'Capital gains'.
12. Discuss the provisions for appeals and revision under the Income-tax Act, 1961.
13. Briefly describe the structure of GST in India. How does the seamless credit flow under GST ? Explain with the help of illustration. How is the GST levied and collected ?

(2 × 15 = 30 marks)