

Total number of printed pages-4

21 (5) LWTX 5-3

2018

PRINCIPLES OF LAW OF TAXATION

Paper : 5-3

Full Marks : 80

Time : Three hours

The figures in the margin indicate full marks for the questions.

Answer all the questions.

1. Choose the correct answer : $1 \times 10 = 10$
 - (i) The burden of taxation must be in proportion to the benefit received by a person from the expenditure made by the government is the idea underlying the cost of service/the benefit principle of taxation.
 - (ii) Impact/Incidence of a tax cannot be shifted.
 - (iii) Income tax is imposed on the net income/total income/gross income of previous year of a person.
 - (iv) Agricultural income is exempt from taxation under Indian income tax laws.
(True/False)

Contd.

(v) Under the GST regime, liability to pay tax arises when a person crosses the turnover threshold of Rs. 10 lakhs/20 lakhs for North Eastern states.

(vi) GST is levied on supply of all goods and services or both including supply of alcoholic liquor for human consumption. (True/False)

(vii) Provision for Permanent Account Number (PAN) can be found in Section 139A/282B of the Income Tax Act, 1961.

(viii) In case of a income from a self-occupied property, the annual value of one house is taken as *standard rent/nil*.

(ix) Any remuneration or interest on capital received by a partner from a firm engaged in agricultural operation is agricultural income. (True/False)

(x) Salary income is taxable on due or receipt basis under the Income Tax Act, 1961, whichever is *earlier/later*.

2. Answer the following : 2x5=10

(a) Who is a 'person' under the Income Tax Act, 1961 ?

(b) What is 'agricultural income' under the Income Tax Act, 1961 ?

(c) What is UTGST ?

(d) What is turnover ?

(e) What is canon of certainty ?

3. What is a direct tax ? How does a direct tax differ from an indirect tax ? Make a comparative analysis of both the forms of taxation and state which form of taxation do you advocate for a country like India.

2+4+6=12

OR

Differentiate between : 4+4+4=12

(a) Tax and Fee

(b) Impact and incidence of taxation

(c) Tax evasion and tax avoidance

4. What is GST ? Write in brief about different types of taxes at the centre and state level that got subsumed into GST.

2+10=12

OR

Discuss in brief about the main features of the constitutional 101st Amendment Act, 2016. 12

5. Discuss the following citing appropriate legal provisions : 4x3=12

(i) SGST

(ii) CGST

(iii) IGST

OR

What is the objective of the GST (Compensation to States) Act, 2017? Discuss the salient features of the Act.

2+10=12

6. What do you understand by the expression "residential statute of assessee"? Discuss with suitable illustrations, the rules relating to the determination of residential statutes of an assessee under the provisions of the Income Tax Act, 1961.

2+10=12

OR

What is an exempt income under the income tax law? Mention at least 25 incomes that are exempt from taxation under the Income Tax Act, 1961.

2+10=12

7. Mention various income tax authorities as appointed under the Income Tax Act, 1961. What are their powers and functions?

4+8=12

OR

Write short notes on :

4×3=12

- (1) Self-assessment
- (2) Best judgement assessment
- (3) Double taxation relief
- (4) Revisions under the Income Tax Act, 1961