

Total number of printed pages-7

19 (V) PRTX 5-3

2019

PRINCIPLES OF TAXATION LAW

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. Answer the following/choose the correct answer : $1 \times 10 = 10$

(a) When the impact and incidence of a tax is on the same person such a tax is referred to as (direct tax/indirect tax).

Contd.

- (b) A progressive tax is that in which the rate of tax depends on change in income of the individual which implies that the higher the income, the higher is the rate of taxation. (True/False)
- (c) If a company is incorporated in India, it is considered as resident in India. (True/False)
- (d) The arrangement of one's financial affairs to minimize tax liability within the law is known as (Tax avoidance/Tax evasion).
- (e) Under the GST Act, a manufacturer who pays the tax on the final output (can deduct the tax/cannot deduct the tax) he previously paid on the input he purchased.
- (f) GST is a (development/destination) based tax applicable on all transactions involving supply of goods and services.

- (g) Gross total income as reduced by the amount permissible as deduction u/s 80CC to 80U is called (net income/total income).
- (h) Revision of an order passed by an A.O. can be revised by the CIT under section (264/250) of the Income Tax Act, 1961.
- (i) Appeal to the High Court u/s 260A of the IT Act can be filed purely on the (question of law/substantial question of law).
- (j) The provisions relating to DTAA are contained u/s 90/92 in chapter IX of the Income Tax Act, 1961.

2. Answer the following : 2×5=10

- (a) What is the difference between single and multiple taxation?

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

(c) What is HSN code under the GST Act?

(d) What is composition levy?

(e) What do you understand by the expression 'residential status' of an assessee?

3. Distinguish between a direct and an indirect tax. What are the advantages of a direct and an indirect taxation system? What do you think should be an ideal system of taxation for a country like India?

4+6+2=12

OR

Write notes on : 6×2=12

(a) Canons of Taxation

(b) Impact, incidence and shifting of taxation.

4. List the various Central and State levies which have been subsumed into GST in India. Discuss the dual GST model as introduced in our country. What is the mechanism under the GST regime to resolve the double taxation dichotomy which existed under the previous indirect tax laws?

2+6+4=12

OR

Discuss in detail, the constitutional powers and functions of the GST Council.

12

5. What are the major features of the registration process under the GST laws? Discuss the procedure of filing of returns under the GST mechanism.

12

OR

Write notes on : 4×3=12

(a) GSTN

(b) IGST

(c) ITC under GST

(d) Composite and mixed supply.

6. "Whether an income is of revenue or capital nature is a question of fact and must depend on the circumstances of each case."
Discuss the above statement citing appropriate illustrations and case laws, thereby highlighting the difference between revenue receipts and capital receipts. 12

OR

Explain the following, citing relevant provisions of the IT Act, 1961 : 3×4=12

- (a) Previous year and assessment year
 - (b) Residential status of an assessee
 - (c) Agricultural income as an exempted income
 - (d) Income from capital gains.
7. What do you understand by the term "assessment" and what are the different types of assessment as envisaged under the IT Act, 1961? Can an order of an *ex parte* assessment be passed by an Income Tax Officer in exercise of his powers under the Act? Cite case laws in support of your answer. 2+6+4=12

OR

Who are the Income Tax authorities as appointed under the Income Tax Act, 1961? Discuss the various powers as exercised by the authorities under the provisions of the Act. 12