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21 (9) PRTX 9.3

2020

(Held in 2021)

PRINCIPLES OF TAXATION LAW

Paper : 9.3

Full Marks : 56

Time : 2½ hours

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

GROUP-A

1. Fill in the blanks : 1×7=7
- i. The maximum qualifying amount for deduction u/s 80C of the Income Tax Act, 1961 is Rs _____.
 - ii. The current basic exemption limit for an individual assessee/ HUF under the Income Tax Act, 1961 is Rs _____.
 - iii. Penalty for failure to pay income tax is imposed by the A.O. u/s _____ of the Income Tax Act, 1961.

Contd.

- iv.* The Central Board of Direct Taxes (CBDT) is a statutory authority responsible for administration of direct tax laws through Income Tax Department and is functioning under an Act called the _____.
- v.* Supreme Court in case of Chennai Properties and Investments Ltd *vs.* CIT (2015) has held that income from letting of properties by a company whose main object as per the Memorandum of Association (MOA) is to acquire and let-out properties be taxable as an Income under the head _____.
- vi.* A mechanism where the recipient of the goods and/or services is liable to pay GST instead of supplier under the GST Law is known as the _____.
- vii.* X, an unregistered person based in Lucknow engages the services of an event management company based in Delhi for his son's marriage planned as a destination wedding at a palace located in Jaipur. The place of supply in this case shall be _____ and tax to be charged under _____.

2. Answer the following : 2+2+3=7

i. What is 'composition levy' under the GST ?

ii. What are the canons of taxation ?

iii. What are the *three* different categories of residential status of an individual ?

3. Explain in brief the various sources of income tax law in our country. 7

Or

Explain in brief the appeals and revision mechanism as provided under the Income Tax Act, 1961. Also write in short about the procedure for filing an appeal before the ITAT. 7

4. State the legal provisions relating to the registration of suppliers under GST. Also explain in brief the return filing procedure under GST. 7

Or

Discuss in brief about the powers and functions of the GST Council. 7

GROUP-B

5. (a) Illustrate the concept of 'mixed supply' and 'composite supply' under the GST Law. 10
- (b) A combo pack of cosmetic products comprising of items of (i) Hair Dryer of value of Rs. 1,500 taxable under GST @ 28%, (ii) Tooth-paste of value of Rs. 500 taxable @ 12% and (iii) different types of Combs of value of Rs. 500 taxable @ 5%. The total value of combo pack comprising of all such items is Rs. 2,400. Calculate the tax to be charged on such combo pack under the CGST Act, 2017. 4

Or

- (a) Explain the eligibility conditions for claiming ITC under GST. 10
- (b) Bharali Brothers Ltd, engaged in manufacture of electrical appliances, provides the details of the GST paid on various items during the month of January, 2021 as follows:

Particulars	Amount (Rs.)
Transformers used in manufacturing process	3,00,000

Mini Trucks used for transportation in factory	2,00,000
Food, Pastries and articles consumed in factory	25,000
Machine capitalized with tax to claim depreciation	2,50,000

Calculate the amount of ITC available to Bharali Brothers Ltd. 4

6. (a) What is the basis of charge of income under the head 'Income from House Property' ? 7
- (b) Compute the Gross Annual Value under the head "Income from House Property" from the particulars given below : 7

Particulars	Amount (Rs.)
Municipal Value	30,000
Annual Rent	42,000
Fair Rent	36,000
Standard Rent	30,000
Unrealised Rent	7,000
Period of Vacancy	1 month

Or

- (a) Differentiate between short-term and long-term capital gains. 7
- (b) Mrs. Priya sells her gold bracelet on 1-5-2018 for Rs. 5,00,000 which was acquired for Rs. 40,000 on 1-3-2000. Expense incurred at the time of sale was 2,000. Compute Capital Gain incurred. (Index Rate 2018-280 and 2000-113) 7
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