

Reg. No. :

Name :

Seventh Semester B.A. LL.B/B.Com.LL.B/B.B.A.LL.B (Five Year Integrated) Degree Examination, January 2025

Paper III – PRINCIPLES OF TAXATION LAW

(2011-2017 Admission)

Time : 3 Hours

Max. Marks : 80

PART – I

Answer any **five** of the following. Each question carries **2** mark. Answer should not exceed **50** words.

1. Explain the difference between tax and fee.
2. Describe direct taxation.
3. What are the progressive and regressive elements of direct taxation?
4. Enumerate the concepts of tax deductions and exemptions in the context of income tax.
5. Explain the canons of taxation.
6. Define the term Previous Year.
7. What does the term "deemed assets" mean in the context of the Wealth Tax Act?

(5 × 2 = 10 Marks)

PART – II

Answer any **four** of the following. Each question carries **4** marks. Each answer should not exceed **120** words.

1. How does the principle of equity apply to taxation?
2. Provide a brief explanation of the term "Assessee" as used in the Income Tax Act.

3. Describe the tax treatment of Agricultural Income under the Indian Income Tax Act.
4. Provide a brief overview of the concept of "Residential Status" as per the Income Tax Act.
5. Explain the concept of "Turnover" as defined under the Kerala General Sales Tax Act.

(4 × 4 = 16 Marks)

PART – III

Answer any **four** of the following problems. Each question carries **6** marks.

1. Ms. X, an individual, owned a residential house in India but spent a significant part of the year abroad, primarily in the United States, for medical treatment. She believes she should not be liable to pay tax on her income in India as she considers herself a non-resident for income tax purposes due to her extended stays abroad. Ms. X argues that her intention was not to reside permanently in India, and she should be considered a non-resident based on the purpose and duration of her stays. Hence, she seeks exemption from Indian income tax obligations despite owning a property in the country. Decide.
2. Mr. X, a Central Government employee, is unsure about whether the standard deduction is applicable to all salaried individuals, including both Central and State Government employees. He seeks clarification on the standard deduction's universal application for all salaried personnel, regardless of their government employment status. Advise.
3. Mr. A received unrealized rent two years after its original due date. How should this subsequently received unrealized rent be treated for tax purposes?
4. Mr. R has given a bungalow owned by him on rent. Annual rent of the bungalow is Rs. 84,000. He transferred entire rental income to his friend Mr. K. However, he did not transfer the bungalow. In this situation, explain whether rent of Rs. 84,000 will be taxed in the hands of Mr. R.
5. Agricultural income is exempt from tax, hence, Mr. X, the taxpayer incurs loss from agricultural activity, whether such loss can be adjusted against any other taxable income? Decide.

(4 × 6 = 24 Marks)

PART – IV

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

1. What are the main objectives of the Wealth Tax Act?
2. Describe the purpose and scope of the Kerala Agricultural Income Tax Act.
3. What is the concept of "setoff and carry forward of losses" in the context of income tax?
4. Outline the powers and functions of the Income Tax authorities in India.

(3 × 10 = 30 Marks)