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Reg. No. : ....

Name : ....

Seventh Semester B.A. LL.B./B.Com. LL.B./B.B.A. LL.B.
(Five Year Integrated) Degree Examination, January 2026

Paper III : PRINCIPLES OF TAXATION LAW

(2018 Admission)

Time : 3 Hours Max. Marks : 80

PART – I

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

1. Tax evasion
2. Capital receipt
3. Development Rebate
4. Assessment year
5. CBDT
6. CIT v. Shaw Wallace & Co.
7. Define the term 'Person' under Kerala Agricultural Income Tax Act.

(5 × 2 = 10 Marks)

PART – II

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

8. Explain the meaning of 'agricultural income', under the IT Act, in the light of decided cases.
9. Explain the residential status of a company.

P.T.O.

10. Examine the statutory provisions of Set off and Carry forward under Income Tax Act.

11. What is Basic judgment assessment under the Income Tax Act? Also write about its purpose.

12. Distinguish between CGST and SGST.

(4 × 4 = 16 Marks)

PART – III

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

13. Army Base Workshop employees, working in different offices and governed by the Rules framed by the Government, are getting a small amount as City Compensatory Allowance to compensate basic requirements of an employee employed in certain areas. It is an additional compensatory amount having no connection with the salary received by the employees. Income tax department issued notice to the employees and claimed the receipt as taxable income. Decide.

14. The Assessee is a registered firm carrying on business in gold and silver. It derives income from investment in Government securities. The assessee had borrowed a sum of Rs. 50,000/- from some creditor. The money was brought in cash by its employee. Out of the said sum of Rs. 50,000/- which was meant for purchase of Government securities, a sum of Rs. 30,000/- was lost by theft committed by a stranger. The assessee, therefore, claimed the sum of Rs.30,000/- lost by theft as a permissible deduction in computation of his net income on the ground that it was a trading loss. The Income Tax Officer rejected the claim. Decide

15. Assessee was the erstwhile ruler of Rajastan and in possession of a large number of gold sovereigns, silver rupee coins silver bars and gold ornaments, which were used at the time of the puja of deities on special religious festivals or rituals. Income Tax Commissioner issued notice under I.T Act and claimed the entire property as Capital Gain. The assessee claimed the benefit of exemption clause under the Act. Decide

16. A & B, is a trust for a charitable purposes, constituted for the promotion and protection of the trade, commerce and manufacturers of India in general and of the cotton trade in particular and to the creation of funds to the benefits of employees of the association or the dependents of such persons. The trust earned money in the business of coal supply to cotton manufactures. Tax department issued notice to the trust for the income received under the business head. Decide.

17. The assessee is a Bank carrying on banking business. The income was computed the Income Tax Department by splitting up its income into 2 heads, interest on securities and business income and permitted set off from interest on securities. The assessee made its claim on the basis that it was a part of the business of the Bank to deal in securities and that no distinction should be made between income from securities and income from business for the purpose of set- off. Decide.

(4 × 6 = 24 Marks)

PART – IV

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

18. Explain the constitutional framework of the Goods and Services Tax in India. Discuss the objectives of GST and its advantages and criticisms.

19. Explain the Residential status and Tax liability of person under the Income Tax Act, 1961.

20. Income Tax Act indicates that Income from house property will be chargeable only on satisfaction of certain conditions. Explain.

21. Elaborate on the constitutional provisions related to taxation. Also touch upon the relevant case laws.

(3 × 10 = 30 Marks)