

Reg. No. :

Name :

Seventh Semester B.A. LL.B./B.Com. LL.B./B.B.A. LL.B.(Five Year Integrated) Degree Examination, May 2024

PAPER III : PRINCIPLES OF TAXATION LAW

(2011–2017 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.
1. How does income tax work as direct tax?
 2. Explain Assessment Year.
 3. As per the Wealth Tax Act, who is considered a “Deemed Assessee”?
 4. What is the relation between Income tax and the Finance Act?
 5. Describe the features or attributes of Income.
 6. Define the term “net wealth” as per the Wealth Tax Act in India.
 7. In the context of the Kerala General Sales Tax Act in India, what does the term “dealer” refer to?

(5 × 2 = 10 Marks)

PART – II

- II. Answer any **four** of the following. Each question carries **4** marks. Each answer should not exceed 120 words.
1. Enumerate the various heads of income for tax purposes.
 2. Explain the concept of “Income from house property” as a distinct head of income under the Indian Income Tax Act.

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3. Describe the concept of "Clubbing of income" as per the Indian Income Tax Act.
4. Outline the various types of assessments explained under the Indian Income Tax Act.
5. Describe the constitutional framework for taxation in India.

(4 × 4 = 16 Marks)

PART – III

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

1. In the case of XYZ Co. Ltd., a Dutch company, the Income Tax Department claimed Indian residency based on board meetings held in India, implying a place of effective management. The taxpayer countered that despite meetings in India, vital business decisions and control were exercised from the Netherlands. Advise the Co to determine the company's tax liability and residential status under Indian law.
2. Does Mr. X, a Central Government employee, need to pay taxes on the arrears of salary received? Also, is there any provision available to lower the tax liability on these lump-sum payments.
3. When Mr. X, who is a tenant of Mr. Y's property, sublets the property and collects rent, should the rental income be classified as taxable under the category of "Income from house property"? Advise.
4. Mr. R is beneficially holding 21% equity shares of SM Minerals Pvt. Ltd. Mrs. R is employed as Manager (in accounts department) in SM Minerals Pvt. Ltd. at a monthly salary of Rs. 84,000. Mrs. R is not having any knowledge, experience or qualification in the field of accountancy. Will the remuneration (i.e., salary) received by Mrs. R be clubbed with the income of Mr. R?
5. Mr. S holds 8,000 debentures of Shyamal Minerals Ltd. He gifted these debentures to his wife. Will the income from debentures be clubbed with the income of Mr. S?

(4 × 6 = 24 Marks)

PART – IV

- IV. Answer any **three** of the following questions. Each question carries **10** marks.
1. What factors determine the residential status of an individual for income tax purposes in India?
 2. Enumerate the main features or characteristics of the Kerala General Sales Tax Act?
 3. Outline the hierarchical structure of income tax officials in India.
 4. Describe the various types of income tax returns that are applicable based on specific circumstances.

(3 × 10 = 30 Marks)