

Name:

Enrolment No:



**UNIVERSITY OF PETROLEUM AND ENERGY STUDIES**  
**Online End Semester Examination May 2021**

**Course: Taxation Law**  
**Programme: BBA LL.B (Hons.) (Corporate Law)**  
**Course Code: CLCC 4001**

**Semester: VII**  
**Time: 03 hrs.**  
**Max. Marks: 100**

**SECTION A (30 Marks)**

- 1. Each Question will carry 5 Marks. Attempt all questions in this section.**
- 2. Instruction: Write a short note on following. Attempt all questions in this section. Support your answers with relevant legal provisions and case laws (if any).**

S. No.		CO
Q 1	Capital Receipts Vs. Revenue Receipts	CO 1
Q 2	Constitutional basis of Taxes in India	CO 1
Q 3	Gratuity Vs. Pension	CO 1
Q 4	Application of Income Vs. Diversion of Income	CO 1
Q 5	Progressive system of taxes	CO 1
Q 6	Scope of Total Income	CO 1

**SECTION-B (50 Marks)**

- 1. Each Question will carry 10 Marks. Attempt all questions in this section.**
- 2. Instruction: Attempt all questions in this section. Support your answers with relevant legal provisions and case laws (if any).**

Q 7	The term supply is not defined under GST, however, the scope of supply is stated under Section 7 in inclusive manner. State the reasons for not defining the taxable event under GST. What are the demerits of defining any term in a taxing statute? Also, discuss, what is the scope of supply? What are essential ingredients of a supply under GST and its taxability? Explain with suitable illustration and exceptions (if any).	CO 2
Q 8	Calculate the Income under the head House Property of Mr. Arvind for the Assessment Year 2019-20: Arvind owns a residential flat in Delhi, details of which are given below: Municipal value p.a. 4,00,000 Fair rent p.a. 4,20,000 Standard rent p.a. 3,80,000	CO 2

	<p>Expenses incurred by A: –</p> <table> <tr> <td>Municipal taxes (actually paid)</td> <td>60,000</td> </tr> <tr> <td>Municipal taxes (due)</td> <td>80,000</td> </tr> <tr> <td>Repairs</td> <td>80,000</td> </tr> <tr> <td>Insurance</td> <td>30,000</td> </tr> <tr> <td>Common maintenance charges</td> <td>20,000</td> </tr> <tr> <td>Interest on capital borrowed for acquiring the flat</td> <td>18,000</td> </tr> </table> <p>The flat is let out up to 31.1.2019 on a monthly rent of Rs. 35,000 per month. From 1.2.2019, the flat is self-occupied for own residence.</p>	Municipal taxes (actually paid)	60,000	Municipal taxes (due)	80,000	Repairs	80,000	Insurance	30,000	Common maintenance charges	20,000	Interest on capital borrowed for acquiring the flat	18,000	
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Q 9	<p><i>Employer-employee is the first and foremost requirement to make any income taxable under the head salary.</i></p> <p>In light of this statement, explain the pre-requisites of income under the head salary. What are allowances and how are they different from perquisites?</p>	<b>CO 3</b>												
Q 10	<p>Distinguish between the term Assessment year and Previous Year as defined under Income Tax Act, 1961. What is the relevance of both? Also, state the exceptions (if any).</p>	<b>CO 2</b>												
Q 11	<p>Critically examine the various deductions under the head Profits and Gains of Business or Profession? Also discuss whether the following expenditures are allowed:</p> <ol style="list-style-type: none"> <li>Depreciation on Plant and Machinery</li> <li>Ransom paid/ extortion money paid by the company for securing the release of its one of the directors</li> </ol> <p>Cite relevant case laws (if any)</p>	<b>CO 2</b>												
<p><b>SECTION-C</b></p> <p><b>1. Question in this part will carry 20 Marks</b></p> <p><b>2. Instruction: Attempt any one question in this section. Support your answers with relevant legal provisions and case laws or illustrations (if any).</b></p>														
Q 12	<p>The residential status of every assessee for the purposes of taxation must be determined with reference to each year. However, if a person is resident in India in a previous year relevant to an assessment year in respect of any source of income, he shall be deemed to be resident in India in the previous year relevant to the assessment year in respect of each of his other sources of income. What are the tests to determine residential status of:</p> <ol style="list-style-type: none"> <li>HUF</li> </ol>	<b>CO 3</b>												

b. Company

Cite relevant case laws (if any)

OR

Section 10(1) exempts Agricultural income from income tax. What are the reasons behind this exemption? What are the tests to determine whether any income is agricultural income or not and with the help of decided cases explain whether following incomes are Agricultural Income or not.

- a. Income from sale of galka seeds
- b. Income from sale of plants in nursery
- c. Sale of Standing Crops