

Roll No: -----



## UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

End Semester Examination, May 2018

Program: B.TECH LL.B (CL+IPR)

Subject (Course): Taxation Law

Course Code : LLBL 444

No. of page/s: 3

Semester : X

Max. Marks : 100

Duration : 3 Hrs

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### Section A- Objective type/True & False/Short Answer type questions

Attempt All

(1 mark each= 10 marks)

1. If income from a particular source is exempt from tax, then loss from such source cannot be set off against any other income which is chargeable to tax. (True/ False)
2. The sine qua non for chargeability under the head salary is that there must exist a .....
3. Avengers Co. Ltd contributed 15% of the salary of the employee Tony Stark towards recognized provident fund. The amount liable to tax as perquisite in the hands of Tony Stark would be ..... of contribution.
  - a) 5%
  - b) 3%
  - c) Nil
  - d) any sum exceeding Rs. 1,50,000
4. When the recipient of the income from house property is not the owner of the building, the income is not chargeable under this head but under the head Income from Business & profession or Income from Other Source. (True/ False)
5. Which of the following income is not chargeable as Income under Business or Profession?
  - a) Profits and gains of business carried by an assessee during the previous year
  - b) Income derived by a trade, professional or similar association from specific services performed for its members
  - c) Income from the activity of owning and maintaining race horses
  - d) Salary received by a partner of a firm from the firm in which he is a partner.

6. Income under the head Profit & Gain of Business or Profession & Income from Other Source shall be computed in accordance with the two method of accounting ..... & .....
7. Any personal expenses of the assessee are chargeable under the head Income from Other Source. (True/ False)
8. The process of adjustment of loss from a source under a particular head of income against income from other source under the same head of income is called .....
9. Which of the following is a 'specified business' eligible for deduction under section 35AD?
  - a) Operating warehousing facility for storage of agriculture produce
  - b) Operating leather manufacturing unit
  - c) Operating unit for manufacture of tooth paste
  - d) Units operating in Jammu & Kashmir
10. VAT applies to ..... and GST applies to .....

**Section B-Short answer type Conceptual questions**

**Attempt any four**

**(5 marks X 4= 20 marks)**

1. What are the benefits which the Country will accrue from GST?
2. The husband transfers all his income from house property to his wife without transferring the house property to her. He is assessed to income tax by Assessing Officer for the income from house property transferred to his wife. The assessee objects to it stating that the income has already been transferred to his wife and it does not belong to him so that he may be assessed to tax on it. Decide with help of the provisions in the Income Tax Act.
3. X retired on 15.4.2013 from a company. He was entitled to a pension of Rs.4,000 p.m. At the time of retirement, he got 75% of the pension commuted and received Rs.1,20,000 as commuted pension. Compute the taxable portion of the commuted pension if he is entitled to gratuity.
4. Write any five categories of income which are included under the income from other source?
5. ABC furnishes the following particulars in respect of a house property owned by him in Delhi

Municipal Value	Rs. 130,000/-
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Fair Rent	Rs. 110,000/-
Standard Rent	Rs. 120,000/-

Property let out for a rent of Rs.11,000 per month throughout previous year.

Unrealised rent was Rs.11,000 & all conditions prescribed by Rule 4 are satisfied. He paid municipal taxes @ 10% of Municipal Value.

Interest on borrowed capital was Rs.40,000/- for the year.

Compute the Income from House property for assessment year 2017-18.

### **Section C- Long answer type questions**

**Attempt all**

**(10 marks each= 20 marks)**

11. Section 10 of Income Tax Act, 1961 exempts certain types of income from taxation. Explain any 8 categories of income which is exempted from tax.
12. Explain the different categories of properties to determine the Annual Value.

### **Section D-Conceptual/Application based Case study**

**(50 marks)**

13. Write about different heads of Income. **(15 marks)**
14. Explain the deductions available under Profit & Gain of Business or Profession. **(15 marks)**
15. "Whether an asset is a capital asset within the meaning of the definition or not is to be determined by the facts prevailing at the time of transfer and not at the time it was acquired". Critically analyze the above statement with the help of *Vodafone Case*. **(20 marks)**

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**Section A- Objective type/True & False/Short Answer type questions**

**Attempt All**

**(1 mark each= 10 marks)**

1. While making inter-head adjustment of loss, loss from business and profession can be set off against income chargeable to tax under the head “Salaries”. (True/ False)
2. Ravi is receiving 10,000 as medical allowance from his employer. Out of this, he spends 5,000 on his own medical treatment, 2,000 on the medical treatment of his dependent wife and another 3,000 for the medical treatment of his major son who is not a dependent on him. The amount of medical allowance taxable in his hand is .....
3. Which income out of the following is an exempt income for political party?
  - a) Income from house property only
  - b) Income from other sources only
  - c) Income by way of voluntary contribution from any person only
  - d) Income from house property, income from other sources, income from capital gains and income by way of voluntary contribution
4. Salary received by a partner from his partnership firm is considered in his personal assessment as-
  - a) Income from salary
  - b) Profit from business or profession
  - c) Income from other sources
  - d) Exempted income
5. The sine qua non for chargeability under the head salary is that there must exist a .....
6. Avengers Co. Ltd contributed 15% of the salary of the employee Tony Stark towards recognized provident fund. The amount liable to tax as perquisite in the hands of Tony Stark would be ..... of contribution.
  - a) 5%

- b) 3%
  - c) Nil
  - d) any sum exceeding Rs. 1,50,000
7. Any sum received under a Keyman Insurance Policy including bonus is chargeable under the head .....
  8. When the recipient of the income from house property is not the owner of the building, the income is not chargeable under this head but under the head Income from Business & profession or Income from Other Source. (True/ False)
  9. Which of the following losses available after inter source set-off, cannot be set-off from incomes in other heads in the same assessment year-
    - a) Speculation losses
    - b) Loss from specified business
    - c) Loss under the head capital gains
    - d) All of the above
  10. VAT applies to ..... and GST applies to .....

**Section B-Short answer type Conceptual questions**

**Attempt any four**

**(5 marks X 4= 20 marks)**

1. X retired on 15.4.2013 from a company. He was entitled to a pension of Rs.4,000 p.m. At the time of retirement, he got 75% of the pension commuted and received Rs.1,20,000 as commuted pension. Compute the taxable portion of the commuted pension if he is entitled to gratuity.
2. Explain Clubbing of Income. Discuss the provisions in the Income Tax Act regarding Clubbing of Income.
3. What are the benefits which the Country will accrue from GST?
4. ABC furnishes the following particulars in respect of a house property owned by him in Delhi

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Interest on borrowed capital was Rs.40,000/- for the year.

Compute the Income from House property for assessment year 2017-18.

5. Write any five categories of income which are included under the income from other source?

**Section C-Long answer type questions**

**Attempt All**

**(10 marks each= 20 marks)**

6. Explain the different categories of properties to determine the Annual Value.
7. Explain the deductions available under Profit & Gain of Business or Profession?

**Section D-Conceptual/Application based Case study**

**Attempt All**

**(50 marks)**

1. Write short notes on:
  - a) Winning from Lotteries
  - b) Income of a Minor child
  - c) Income of charitable purpose

**(15 marks)**
2. Write about different heads of Income.

**(15 marks)**
3. “Whether an asset is a capital asset within the meaning of the definition or not is to be determined by the facts prevailing at the time of transfer and not at the time it was acquired”. Critically analyze the above statement with the help of *Vodafone Case*.

**(20 marks)**