



**UNIVERSITY OF PETROLEUM AND ENERGY
STUDIES**

Supplementary, December 2023

Course: International Taxation
Program: B. Com. LLB (Tax Law)

Course Code: CLTX5001

Instructions: Attempt all the questions

Semester: IX

Duration: 03
hrs.

Max. Marks:
100

SECTION A

Objective Type Questions/Definitions

5Qx2M=10
Marks

Q. No.		Marks	CO
1	What is the difference between Static and Ambulatory approach of interpretation of tax treaty?	2	CO1
2	Explain about any 2 extrinsic aids of treaty interpretation.	2	CO1
3	What is the rate of Equalization Levy tax in India?	2	CO1
4	Describe the concept of Arm's Length Price.	2	CO1
5	What is the difference between GAAR and SAAR?	2	CO1

SECTION B

(Conceptual based question)

4Q x5M=20
Marks

Q. No.		Marks	
1	Explain the concept of "Advance Ruling" along with the composition of the authority.	5	CO2
2	Comment on the correctness or otherwise of the following statement with reference to the provisions of Income-tax Act, 1961. "The double taxation avoidance treaties entered into by the Government of India override the domestic law."	5	CO2
3	Describe the BEPS Action Plan on "Controlled Foreign Corporation".	5	CO2

4	Explain the concept of Safe Harbor.	5	CO2
SECTION-C			
(Descriptive/Analytical Questions)			
2Qx10M=20 Mark			
Q.No.		Marks	CO
1	Why is a jurisdiction declared as a Notified Jurisdictional Area. Elaborate the process and effects of such a declaration while emphasizing on relevant provisions of law.	10	CO3
2	Differentiate between the concepts of “Permanent Establishment” and “Business Connection”.	10	CO3
SECTION-D			
(Case Studies/ Application Based Questions)			
2Qx25M =50 Marks			
Q.No.		Marks	CO
1	<p>US Ltd., a US company has a subsidiary, IND Ltd. in India. US Ltd. sells computer monitors to IND Ltd. for resale in India. US Ltd. also sells computer monitors to CMI Ltd., another computer reseller. It sells 50,000 computer monitors to IND. Ltd. at ` 11,000 per unit. The price fixed for CMI Ltd. is ` 10,000 per unit. The warranty in case of sale of monitors by IND Ltd. is handled by IND Ltd. However, for sale of monitors by CMI Ltd., US Ltd. is responsible for the warranty for 3 months. Both US Ltd. and IND Ltd. offer extended warranty at a standard rate of ` 1,000 per annum.</p> <p>Based on above facts answer the below given question.</p> <p>a) What is the concept of “Most Appropriate Method” under Transfer Pricing.</p> <p>b) Explain the meaning of Associated Enterprise and Controlled Transaction.</p> <p>c) For above given facts, calculate Arm’s Length Price of transaction between US Ltd. And IND Ltd.</p>	5 10 10	CO4
2	<p>Nandita, an individual resident retired employee of the Prasar Bharati aged 60 years, is a well-known dramatist deriving income of ` 1,10,000 from theatrical works played abroad. Tax of ` 11,000 was deducted in the country where the plays were performed.</p> <p>India does not have any Double Tax Avoidance Agreement under section 90 of the Income-tax Act, 1961, with that country.</p> <p>Her income in India amounted to ` 5,10,000.</p> <p>In view of tax planning, she has deposited ` 1,50,000 in Public Provident Fund</p>	25	CO4

During the previous year and gave payment of medical insurance premium of ` 26,000 to insure the health of her father.		
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Compute the tax liability of Nandita for the Assessment year 2019-20 after elaborating the relevant applicable provisions of law.		
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