


Name: Enrolment No:			
UPES End Semester Examination, December 2024			
Course: Taxation Laws Program: BALLB/BBA LLB/B.COMLLB (CL/EL/IPR/CNTL/CRL/TL) Course Code: CLCC4001		Semester: VII Time : 03 hrs. Max. Marks: 100	
Instructions: Read the questions carefully. Use of normal calculator is permitted.			
SECTION A (5Qx2M=10Marks) Short answer type questions			
S. No.		Marks	CO
Q 1	Define Progressive and Regressive Taxes.	2	CO1
Q 2	Which of the following statements is INCORRECT in respect of income taxable under the head “Salaries”? a) The relationship of employer and employee is necessary for income to be considered under the head “Salaries.” b) Salary from part-time employment is also taxable under the head “Salaries.” c) Remuneration paid to directors is treated as salary income. d) Perquisites and profits in lieu of salary is included under the head “Salaries.”	2	CO1
Q 3	Define Set-off under the Income Tax Act, 1961.	2	CO1
Q 4	Which country is a tax haven? a) Canada b) Singapore c) India d) U.S.A.	2	CO1
Q 5	XYZ Co., a supplier registered under GST in Meghalaya, wants to opt for a composition levy. The aggregate turnover limit for composition levy is _____ .	2	CO1

SECTION B (4Qx5M= 20 Marks) Short answer type questions			
Q 6	Explain the criteria relevant for the determination of the residential status of a Hindu Undivided Family under the Income Tax Act.	5	CO2
Q 7	State the deductions that are not allowed under the head ‘income from other sources’.	5	CO2
Q 8	Explain the tax provisions on the income of a Spouse under the Income Tax Act, 1961.	5	CO2
Q 9	Explain the tax provisions related to income of the political parties.	5	CO2
SECTION-C (2Qx10M=20 Marks) Long answer type questions			
Q 10	<p><i>As per section 22 of the Income Tax Act 1961, the rental income from property consisting of any buildings or lands appurtenant thereto of which the assessee is the owner, shall be chargeable to income-tax under the head ‘Income from house property’.</i></p> <p>In the above context, discuss the steps for the determination of Gross Annual Value (GAV) for the purpose of computation of Income under the head ‘house property’.</p>	10	CO3
Q 11	<p><i>Customs duties are levied on the goods imported into, or exported from, India at the rates specified in the schedules to the Customs Tariff Act, 1975.</i></p> <p>Discuss the taxable event for the levy of Customs Duty and elaborate on the kinds of custom duties levied under the Customs Act, 1962.</p>	10	CO3
SECTION-D (2Qx25M=50 Marks) Case study-based questions			

<p>Q12</p>	<p>Rawson group has three companies namely M/S P Ltd., M/S Q Ltd. and M/S R Ltd., as group companies and M/S Mighty Ltd. is a parent company. M/S. Mighty Ltd. holds 25% of the shares in each group company.</p> <p>M/S. Mighty Ltd. entered into a contract with M/S P Ltd. for the purchase of raw materials. The price per kg of raw material was decided at Rs100 Per kg. Had M/S Mighty Ltd., purchased the raw material from other vendors supplying the same raw material located in India, they would have got the raw material at a price of Rs.70 per kg.</p> <p>a) Elucidate the provisions on Associated Enterprises with regards to transfer pricing and the applicability of Arm’s Length Principle under International Taxation. (10 marks)</p> <p>b) Analyse the amendments brought by the government having retrospective effect after Vodafone case. (15 marks)</p> <p style="text-align: center;"><i>Or</i></p> <p>Mr. Sharma runs a pharmaceutical company in Gurgaon and decided to expand its operations to increase its market reach. The company undertook several initiatives and incurred the following expenses in the current financial year 2023-24:</p> <p>a) Expenditure on acquisition of patent rights or copyrights.</p> <p>b) Repairs and insurance of building which is used for business.</p> <p>c) Depreciation on plants and machinery used for the purposes of business.</p> <p>d) Expenditure on Corporate Social Responsibility.</p> <p>e) Health insurance of employees by the assessee.</p> <p>Examine the admissibility of the above expenses as deductions against the business profits under the Income Tax Act, 1961 and provide appropriate justification. (5 Marks each)</p>	<p>25</p>	<p>CO4</p>
<p>Q13</p>	<p>Oceanic Resources Ltd., an Indian import company, frequently imports raw materials under CIF (Cost, Insurance, and Freight) contracts, where foreign suppliers handle the payment and arrangements for ocean freight to Indian ports. Oceanic Resources contends as an importer that it should not be liable for Integrated Goods and Services Tax (IGST) on ocean freight, asserting that the CIF value (which already includes the freight cost) has been taxed upon importation. However, given the complexities surrounding CIF contracts, the</p>	<p>25</p>	<p>CO4</p>

	<p>importer is the final recipient of goods but not a direct party to the freight service.</p> <p>Based on the given facts,</p> <ul style="list-style-type: none">a) Critically examine the constitutional validity of levying the IGST on ocean freight. (15 marks)b) Analyze this issue in light of judicial rulings that explore the scope of 'supply' and taxable events under GST. (10 marks)		
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