

2017

(ii) Principles of Taxation Law

1. Write 'true' **or** 'false' against each of the following : 1×10=10

(a) Income Tax Act, 1961 extends to the whole of India except the state of Jammu and Kashmir.

(b) Tax planning is futuristic in its approach.

(c) Surplus left with seller due to reduction in export duty is a revenue receipt.

(d) Interest upto Rs.10,000/- per annum on Public Provident Fund Account is exempted from income tax.

(e) Servant allowance is taxable in the hands of an employee.

(f) Rental income of machinery, plant or furniture is taxable under the head 'Income from other sources'.

(g) If an asset is transferred to a person and it is revocable during the life time of the transferee, then income from such asset shall be taxable in the hands of the transferor.

- (h) Loss from speculation business can be set off against profit from any business.
- (i) The Assam Value Added Tax Act, 2003 extends to the whole of the state of Assam except Karbi Anglong District.
- (j) GRN means General Registration Number.

2. Briefly explain the following : $2 \times 5 = 10$

- (a) Tax evasion,
- (b) Mercantile System of Accounting,
- (c) Entertainment allowance,
- (d) Instance where an individual is assessable in respect of remuneration of spouse,
- (e) Registration of dealer under AVAT Act.

3. What is the importance of Direct Tax in The Indian Economy ? Differentiate tax planning and tax evasion with the help of suitable examples.

Or

Write a note on the Agricultural Income Tax in Assam. 12

4. What are the norms governing residential status of an individual and its impact on incidence of tax ? 12

Or

Write in brief the provisions of Income-tax Act, 1961 in respect of the following :

6×2=12

- (a) Capital and revenue expenditure,
(b) Agricultural income.
5. Discuss the provisions relating to the computation of 'Income from House Property' under the Income Tax Act, 1961. 12

Or

Define depreciation. Discuss the provisions relating to the allowability of depreciation from profit and gains from business or profession under the Income Tax Act, 1961.

2+10=12

6. Discuss the procedure for filing of return of income of an assessee. Also describe the various procedure for assessment under the Income Tax Act, 1961. $6+6=12$

Or

Write short notes on the following :

$6 \times 2 = 12$

- (a) Allowability of deduction under section 80C,
- (b) Central Board of Direct Taxes (CBDT).
7. Discuss about compulsory and voluntary registration of dealers under the Assam Value Added Tax Act, 2003. What is the penalty for non-registration ? $8+4=12$

Or

Write explanatory note in the following :

$6 \times 2 = 12$

- (a) Input tax credit
- (b) Scrutiny of returns and self assessment under the AVAT Act, 2003.
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