



**UNIVERSITY OF NORTH BENGAL**  
LL.B. (3 yr.) 6th Semester Examination, 2021

**PRINCIPLES OF TAXATION LAW**

**PAPER CODE-CC19**

Time Allotted: 2 Hours

Full Marks: 50

*The figures in the margin indicate full marks.*

**Answer Question No. 7 and any four from the rest**

10×4=40

**GROUP-A**

**Answer each question within 200 words**

1. *"It is one of the most debatable issue across the nation, that imposing tax on these commercial entities restrain people from exercising trade, commerce and intercourse freely across the nation, and whether it violates the rights guaranteed by the Constitution".- Do you think Compensatory or Regulatory taxes restrains the practice of trade and commerce in India guaranteed under Article 301 of the Constitution? Support your answer with landmark judgments.* 10
2. Mr. John came to India first time on April 26th, 2013, He stayed in Delhi from 26th April to 25th August 2013. From 26th August 2013 to 20th July 2014 he stayed in Mumbai. On 21st July 2014 he left India permanently. Find out his residential status for the financial year 2013-2014 and 2014-2015 using the applicable formulas. 10
3. Discuss in details various prospects of tax planning for a Start-up Company utilizing the various provisions of exemption and deduction available under the Income Tax Act, 1961. 10
4. Discuss the taxability of income received from Capital Gains under the Income Tax Act, 1961. 10
5. The assessee-company, ABC Pvt. Ltd. was engaged in business of manufacture of bulk drugs. It also derived income from growing mushroom and treated it as agriculture income exempt from tax under Section 10(1). The Assessing Officer disallowed the exemption on the contention that growing mushrooms is not an agriculture operation. He contended that mushrooms are produced under 'controlled conditions' in racks placed on shelves above land. Hence, the activity was not an agricultural activity. 10  
In the light of the above facts discuss whether ABC Pvt. Ltd. can avail the exemption available under Section 10(1) of the Income Tax Act or not. Support your answer with relevant case laws.

6. Discuss the various advantages of introduction of GST System in India over the VAT System. 10

**GROUP-B**

**Answer each question within 150 words**

7. Write Short Notes on any *two* of the following: 5×2 = 10
- (a) Clubbing of Income
  - (b) Income from Business or Profession
  - (c) Cannon of Equity
  - (d) Speculative Business.

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