



UNIVERSITY OF NORTH BENGAL

LL.B. (3 yr.) 6th Semester Examination, 2021

PRINCIPLES OF TAXATION LAW

Time Allotted: 2 Hours

Full Marks: 50

The figures in the margin indicate full marks.

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

GROUP-A

(Answer each question within 200 words)

1. “The terms Tax avoidance and Tax evasion are often used interchangeably, but they are very different concepts” – In the light of the above statement discuss the difference between the concept of Tax avoidance and Tax evasion with the help of illustrations and case laws. 10
2. Ajay, for his business purposes, keep on commuting to and fro India. He leaves India on 18th April, 2018 and then comes back to India on 9th January, 2019. His stay in India during earlier years is as follows: 2017-18: Nil; 2016-17: 54 days; 2015-16: 162 days. Prior to this, he never went out of India. Calculate and decide whether under section 6(1) of Income tax Act, 1961 He is a resident of India or not? Verify whether he is an ordinary Resident of India or not? 10
3. Enumerate the conceptual difference between Purposive Tax Planning and Permissive Tax Planning with the help of illustration and relevant case laws. 10
4. Discuss the taxability of income received from Business and Profession under the Income Tax Act, 1961. 10
5. The Assessee, Mr. Rohan Roy, owned two properties in Pune – Flat A and Flat B. Flat A was let out, however, Flat B was vacant for the whole year as suitable tenant couldn't be found. He claimed that the said flat had remained vacant throughout the year despite his reasonable effort to let out the same. In this regard, he submitted three letters written to the builder. In first letter, he thanked the builder for identifying the tenant for the flat at Flat A and also requested to identify tenant for Flat B. Subsequently, the assessee had written second letter and after that third letter being reminders for identifying the tenant to let out Flat B. Discuss in the light of relevant provisions of Income Tax Act, 1961 and case laws whether the assessee can claim for vacancy allowance or not. If yes, to what extent deduction of tax for Flat B can be claimed? 10

6. *“In computing the total income of an individual, there shall be included all such income as arises or accrues to his minor child”* – Discuss the concept of clubbing of income of a minor in the light of the above statement with the help of relevant provisions of Income Tax Act, 1961. 10

GROUP B

(Answer each question within 150 words)

7. Write Short Notes on any *two* of following: 5×2 = 10
- (a) Income from Capital Gain
 - (b) Arrears of Salary
 - (c) Canon of Convenience
 - (d) Speculative Business.

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