

POST-GRADUATE COURSE

Term End Examination :

December, 2014 / June, 2015

COMMERCE

Paper-V : Direct and Indirect Taxation

Time : 2 Hours

Full Marks : 50

(Weightage of Marks : 80%)

Special credit will be given for accuracy and relevance in the answer. Marks will be deducted for incorrect spelling, untidy work and illegible handwriting. The weightage for each question has been indicated in the margin.

MODULE – I

Answer any two questions : $12 \frac{1}{2} \times 2 = 25$

1. a) State the incomes chargeable under the head Profits and Gains of Business or Profession.
- b) Suppose, you have a software development business. You purchased a machine relating to the scientific research of your business worth Rs. 50,000 in the financial year 2014-15.

State the tax implication of this scientific research expenditure.

$$6 + 6 \frac{1}{2}$$

2. a) State provision of section 41 (4) in respect of deemed profit with suitable examples.
- b) Mr. X owns a house property from which he derives an income of Rs. 75,000 p.a. w.e.f. 1.4.2014. He converts this property as the property of an HUF of which he is a member. If there is partition in the family and there are five members entitled to share in HUF property i.e. Mr. X, Mrs X, a minor child and two major sons. They have equal share. State tax implication as per the provision u/s 64 (2). $4 \frac{1}{2} + 8$
3. a) What is the reason behind the insertion of MAT provision in the Income Tax Act, 1961 ?
- b) The book profit of a company for the assessment year 2015-16 is Rs.10,00,000, whereas its total income as per provision of Income Tax Act is Rs. 2,50,000.
Compute the tax liability of the company and also show the credit entitlement, if any.
 $5 + 7 \frac{1}{2}$
4. a) What are the conditions to be fulfilled by the telecommunication services to avail deduction u/s 80-IA ? Also state the amount of deduction.

- b) From the following information, compute the taxable income.

	Case-I	Case-II
	Rs.	Rs.
Long-term capital gain/loss	1,70,000	(-) 3,00,000
Short-term capital gain/loss	(-) 50,000	1,30,000
Business income/loss	(-) 80,000	(-) 90,000
Loss from Horse race	---	(-) 10,000
		$8 + 4\frac{1}{2}$

MODULE-II

Answer any *two* questions. $12\frac{1}{2} \times 2 = 25$

5. a) Describe the features of Excise Duty.
- b) How do you classify the goods under excise duty ? $7 + 5\frac{1}{2}$
6. a) What are the different schedules under West Bengal VAT Act ?
- b) What do you mean by 'business' and 'turnover' under Central Sales Tax Act ?

$$4\frac{1}{2} + 8$$

7. a) When is a sale or purchase of goods said to take place in the course of import or export ?

- b) What do you mean by 'place of business' according to the Central Sales Tax Act ?

$$6 + 6\frac{1}{2}$$

8. a) Discuss the provisions of the Customs Act relating to goods in transit.

- b) What do you mean by anti-dumping duty ?

$$8\frac{1}{2} + 4$$