DIRECTORATE OF DISTANCE EDUCATION
NALSAR UNIVERSITY OF LAW, HYDERABAD

M.A. (CORPORATE LAW)

Academic Year: 2024-2025

Third Semester Repeat Examination (May, 2025)

2.3.8. Law of Taxation

Duration of the Examination: 2 ½ hours **Total Marks: 70 marks**

INSTRUCTIONS TO CANDIDATES

a) **Read the instructions carefully and adhere to the same.**
b) **Please mention your DDE ID No. date of the exam, name of the programme & subject on the Answer Sheet and the Additional Answer Sheets, if any.**
c) **The questions to be interpreted as given and no clarification can be sought from the Invigilator.**
d) **Clearly indicate the question numbers while answering them. Answers without question numbers / wrong question numbers will not be evaluated.**
e) **Write the answers clearly and neatly. Answers in illegible handwriting will not be taken into consideration.**
f) **Candidates are prohibited to carry phones or any other electronic devices, books, material etc. in the Examination Hall.**
g) **Copying is strictly prohibited and is considered as a serious academic mis-conduct and the University will take action as it deems fit.**

Section – A

Answer FIVE questions out of SEVEN questions and each question carries 10 marks. (5 x 10 marks = 50 marks)

1. Analyze the distinction between tax evasion and tax avoidance. Discuss with reference to statutory provisions and case laws.

2. Examine the doctrine of form and substance in the context of tax planning, analyzing its role in distinguishing legitimate tax avoidance from abusive tax practices.

3. Analyze the two-fold distribution of legislative powers under Article 246, read with Schedule VII of the Constitution of India. How does this framework delineate the law-making authority between the Union and State legislatures?

4. "Tax is not a payment for services rendered." Analyze and critically examine this statement with reference to constitutional and judicial interpretations.

5. How does the Fairness Doctrine apply to taxing statutes, and what impact does it have on the formulation, interpretation, and enforcement of tax laws?

6. What is Place of Effective Management? Analyze this principle in the context of Indian tax laws, discussing its implications on corporate residency, tax liability, and compliance requirements.

7. Analyze the concept of capital gains as a principal head of income under the Income Tax Act, 1961. Provide a detailed explanation of the classification of capital gains into short-term and long-term categories.

Section – B

Write short notes on any FOUR questions out of SIX questions and each question carries 05 marks. (4 x 5 marks = 20 marks)

A) Analyse the mechanism of Input Tax Credit with illustration.

B) Explain the concept of reverse charge.

C) "Two individuals with the same income may be subject to different income tax rates based on various factors." Discuss.

D) Discuss the tax treatment of
   i. Pension
   ii. HRA

E) Examine the taxability of receipt of a cash gift of Rs. 60,000 from a friend on the occasion of wedding anniversary.

F) How is the residential status of an assessee determined under the Income Tax Act, 1961?