

**GUJARAT NATIONAL LAW UNIVERSITY
GANDHINAGAR**

Course: Law of Taxation-I
Semester-VII (Batch: 2013-18)

Mid Semester Test: August-2016

Date: 10th August, 2016

Duration: 2 hours

Max. Marks: 30

Instructions:

- Read the questions properly and write the answers in the given answer book.
- The respective marks for each question are indicated in-line.
- Do not write anything on the question paper.
- Indicate correct question numbers in front of the answers.
- No questions or clarifications can be sought during the exam period, answer as it is, giving reason, if any.
- Cite suitable authority to support your answer, even where ever not provided. Put 'Q' mark before numeral to write your answers. Write only numeric figures to mention question number as given in question paper.

- | | Marks |
|---|--------------|
| Q.1 Write whether following statements are true or false and give appropriate reasons to support your answer. Answers mentioning only true/false or only reasoning will not receive any credit. | (05) |
| (a) Agricultural Income is exempt from Income Tax, but the Income Tax Act indirectly collects tax on Agricultural Income.
(b) Income accrued outside India and received outside India is taxable in case of Resident but not ordinary resident (RNOR)
(c) Preservation of monuments is a non-charitable activity as per Income Tax Act.
(d) An income which is deemed to have accrued in India & taxed accordingly will be taxed when received in India.
(e) Income derived from rubber plantation in Singapore but Received in India shall be treated as exempt as it is earned outside India. | |
| Q.2 Write definition of following terms in Income Tax act, 1961. Answers with incorrect section number will not receive any credit.
A. Assessee B. Income C. Person D. Relative E. Slump sale F. Previous Year | (10) |
| Q.3 Discuss ratio of following case laws citing appropriate sections covered in Income Tax Act. | (06) |
| (a) CIT v. Namdhari Seeds (P) ltd (2012)341 ITR 342 (Kar)
(b) Bhagwan das Jain v. UOI (1981)128 ITR 315 (SC)
(c) H H Maharaja Rana Hemant Singh ji v. CIT (1976) 103 ITR 61 (SC) | |
| Q.4 (a) Mr. X, a Resident and Ordinarily Resident in India, has derived the following income from various operations (relating to Plantations and Estates owned by him) during the year ended 31.03.2014. You are required to compute the taxable income of Mr. X for Assessment Year 2014-2015. Cite appropriate authority to support your answer. | (2.5+2 =4.5) |

Particulars

- (i) Income from sale of Centrifuged Latex processed from rubber plants grown in Darjeeling: 3,00,000 INR
- (ii) Income from sale of Coffee grown and cured in Yercaud, Tamil Nadu: 1,00,000 INR
- (iii) Income from sale of Coffee grown, cured, roasted and grounded, in Colombo. Sale Consideration was received at Chennai: 2,50,000 INR
- (iv) Income from sale of tea grown and manufactured in Shimla: 4,00,000 INR
- (v) Income from sapling and seedling grown in a nursery at Cochin. Basic operations were not carried out by her on land: 80,000 INR

(b) Discuss the concept of Agriculture income in Income Tax Act.

Q.5 Determine residential status in following questions citing suitable reasons: (4.5)

- (a) Dr. Q, an Indian Citizen and a Doctor in AIIMS, left India on September 15, 2012 for Germany to take up a job there. Determine his residential status for the assessment year 2013-14.
- (b) Mr. X is a foreign citizen. His father was born in Delhi in 1952 and mother was born in England in 1960. His grandfather was born in Delhi in 1932. Mr. X is coming to India to see monuments in Delhi and visit other historical places in India. He comes to India on 1st November, 2013 for 200 days. He has never come to India before. Determine his residential status for AY 2014-15.
- (c) Mr. P, an Indian Citizen, is living in Indore since 1960, left for Australia on July 1, 2009. He comes back on August 10, 2013. Determine his residential status for the assessment year 2014-15.
