

# Deptt. Of Commerce

## QUESTION BANK

Direct and Indirect Taxation(Hons. & Prog.)

### A. Carrying marks 2

- 1) Define tax.
- 2) What are the different types of tax?
- 3) What do you mean by income-tax?
- 4) Define income.
- 5) Distinguish between direct tax and indirect tax.
- 6) Give two examples of direct tax and indirect tax.
- 7) What is the span of previous year?
- 8) What is casual income?
- 9) What do you mean by unearned income? Give two examples.
- 10) What is meant by 'Person' under the Income-tax Act?
- 11) who is an assessee?
- 12) Give two examples of artificial juridical person.
- 13) What is the relation between previous year and assessment year?
- 14) Show the difference between heads of income and sources of income?
- 15) How is gross total income computed?
- 16) Show the difference between 'total income' and 'gross total income'?
- 17) Distinguish between capital receipts and revenue receipts.
- 18) Mention some areas where specific tax-rate is applies.
- 19) Distinguish between deduction and exemption.
- 20) Is illegal income taxable?
- 21) What do you mean by tax planning, tax evasion and tax avoidance?
- 22) What do you mean by personal status and residential status?
- 23) Who is non-resident?
- 24) Give the classification of assessees depending on residential status.
- 25) State the incidence of tax in the case of a non-resident assessee.
- 26) State the importance of residential status on incidence of tax.
- 27) What is exempted income?
- 28) What is agricultural income?
- 29) What do you mean by 'partial integration of agricultural income'?
- 30) Name the persons where partial integration is applied and where not applied.
- 31) Is the income from an agricultural land situated outside India an exempted income?
- 32) What is the tax liability of a political party?
- 33) Give some examples of 'Free Trade Zone'.

- 34) What do you mean by 'tax holiday' u/s 10A and 10B?
- 35) Explain with examples 'tax-free salary'.
- 36) Give the tax treatment of income-tax paid by the employer on behalf of employee.
- 37) Who is a specified employee?
- 38) What does the term 'substantial interest' mean?
- 39) Discuss the deduction available u/s 16.
- 40) Mention two types of perquisites which are exempt from income-tax?
- 41) Give two examples of perquisite which are taxable only in the hands of specified employee?
- 42) What do you mean by annual value?
- 43) What is the method of determining annual value if there is unrealized rent.
- 44) Who are regarded as the owner of house property under the Income-tax Act?
- 45) What is unrealized rent in connection with Income from House property?
- 46) What do you mean by unabsorbed depreciation?
- 47) What is the basic difference between 'profession' and 'vocation'?
- 48) How will the long-term capital gains be computed?
- 49) What is the difference between long-term capital gain and short-term capital gain'?
- 50) Which loss can be set off against income from salary?
- 51) Give two examples of inter-source set-off of losses.
- 52) How much deduction is available u/s 80C?
- 53) Under which section the premium of mediclaim is available?
- 54) Who are eligible for getting deduction u/s 80D?
- 55) What do you mean by 'adjusted gross total income' u/s 80G?
- 56) Discuss in brief the nature of deduction u/s 80GG.
- 57) Show the difference between gross total income and total income.
- 58) How is tax payable determined?
- 59) What do you mean by clubbing of income?
- 60) What is return of income? What happens if such return is not filed?
- 61) What is Best Judgement Assessment?
- 62) What is PAN?
- 63) What is payment of advance tax?
- 64) What is defective return?
- 65) Distinguish between defective return and invalid return.
- 66) What is belated return? What is the time limit for submitting belated return?
- 67) What is self assessment?
- 68) How is the amount of TDS determined?
- 69) What is TAN? How TAN is used?
- 70) What is input-tax and output-tax/

- 71) State two basic features of GST?
- 72) Define CENVAT.
- 73) Give any two advantages of GST.
- 74) Who is a casual dealer?
- 75) What is Bill of Entry?
- 76) Who are free from wealth-tax?
- 77) What is deemed asset?
- 78) What do you mean by turnover/
- 79) What do you mean by goods?
- 80) What is block of assets?
- 81) Give few examples of tax-free perquisites.
- 82) Mention two important features of income.
- 83) Give the tax treatment of professional tax paid by employer on behalf of employee.
- 84) Mention two conditions precedent for allowing expenditure u/s 37(1).
- 85) Give two examples of inter-source set off of losses.
- 86) What do you mean by remote area in Income-tax Act?
- 87) What do you mean by integration of agricultural income?
- 88) What do you mean by maximum marginal rate of tax?
- 89) What is 'Finance Bill'?
- 90) Bad debt claim disallowed in an earlier assessment year, recovered subsequently.  
Is the sum recovered, chargeable to tax?
- 91) Can a political party claim exemption of its income u/s 13A?
- 92) What is the tax treatment of educational scholarship?
- 93) Who is deemed to be assessee in default?
- 94) Can a minor and lunatic be considered as assessee?
- 95) Define 'goods' under the GST Act.
- 96) Define 'Business' under GST.
- 97) Who is non-resident?
- 98) Can annual value of a house property be negative?
- 99) What is the time limit for submitting a belated return?
- 100) Mention two examples of transactions which are not regarded as transfer of capital asset.
- 101) Mention two types of perquisites which are exempt from income-tax.
- 102) Define tax-free salary?
- 103) What do you mean by e-filing of return? Is there any facility of e-filing of return?
- 104) What is belated return?
- 105) Mention the principal sources of revenue of a Government.

B. Carrying marks 6

- 1) Describe the current tax structure in India.
- 2) Give a brief idea of GST.
- 3) State the cases where assessment year and previous year are same.
- 4) Define and distinguish between tax evasion and tax avoidance.
- 5) State the relevance of previous year in Income-tax Act.
- 6) Do all receipts consider as income for the purpose of income-tax? Justify your answer.
- 7) Describe the different types of persons.
- 8) How is the residential status of an individual determined?
- 9) Discuss with examples the classification of assessees on their personal status.
- 10) Give a brief idea of the exempted incomes u/s 13A.
- 11) Discuss the features of agricultural income?
- 12) Describe the taxability of 100% export-oriented industrial undertakings.
- 13) Discuss the taxability of medical facilities provided by the employer.
- 14) How the valuation of rent-free accommodation at a concessional rate is determined?
- 15) How the transferred balance of unrecognized provident fund becomes taxable?
- 16) Name the types of house property, the income from which is not included under the head income from house property?
- 17) Under what conditions the unrealized rent is to be deducted from annual value?
- 18) Write short notes on expenditure involving cash payment exceeding Rs.20,000.
- 19) Which expenses are not allowed while computing income from business and profession?
- 20) Discuss the difference between long-term capital asset and short-term capital asset.
- 21) State few examples which are headed under the head income from other sources.
- 22) State the rules of set off of business loss.
- 23) Discuss whether long-term capital loss can be adjusted against short-term capital gain.
- 24) Mention the conditions to be satisfied for getting deducting u/s 80DDB.
- 25) What do you mean by deduction under chapter VI-A of the Income-tax Act?
- 26) Discuss in brief the nature of deduction u/s 80G.
- 27) State the cases when income of other persons be included in the gross total income of an individual.
- 28) How is book profit of a PFAS determined?
- 29) Mention some income included in the income of HUF.
- 30) State the provisions of the Income-tax Act about Best Judgement Assessment.
- 31) Why a return becomes defective?
- 32) What is standard rent?
- 33) Discuss about the different types of return?
- 34) State the provisions of the Income-tax Act regarding payment of advance tax.
- 35) Where mentioning of PAN is compulsory?
- 36) Explain in brief the different methods of payment of tax?

- 37) What happens if a return of loss is not filed/Write short notes on sale, registered dealer, sale price, business, registration of dealer, etc.
- 38) Discuss the procedure of registration of dealer as per GST Act.
- 39) What do you mean by compulsory registration as per GST Act?
- 40) State in brief the nature of Excise Duty.
- 41) Discuss the advantages and disadvantages of GST.
- 42) Give a brief account of GST.
- 43) Define Taxable Event.
- 44) What are the different types of customs duties?
- 45) What do you mean by assets transferred under revocable transfer? Give examples.
- 46) Mention the debts which are not deductible from wealth-tax.
- 47) Mention the important provisions of the Income-tax Act regarding unoccupied residential house.
- 48) State the provisions under the Income-tax Act regarding set off and carry forward of losses.
- 49) How the loss from the activity of owning and maintaining race-horses is to be set off?
- 50) What are the incomes from irrevocable transfer of assets not charged as the income of the transferor?
- 51) What are the essential conditions for enjoying rebate/s 87A?
- 52) What do you mean by index cost of acquisition?
- 53) State the deductions available u/s 16 from gross salary.
- 54) Mention at least six incomes which are fully exempted from tax?
- 55) What are the particulars required to be furnished with the return of income as per section 139(6)?
- 56) List out six purchases which are not eligible for input tax credit.
- 57) How is exemption granted by section 10(10C) in respect of income-tax paid by employer?
- 58) Elaborate on what are to be taxed as profits in lieu of salary?
- 59) Define fair rent. How is it calculated?
- 60) Under what circumstances the relief u/s 89(1) allowed to assessee?
- 61) Why is the relief u/s 89(1) allowed to assessee?
- 62) State the deductions allowed under the head of income from house property let out by the owner.
- 63) What are the basic objectives of income-tax?
- 64) Can an individual who is not in India, sign the return of income from outside India? Is there any other option?
- 65) Are there any restrictions on deduction allowable to the partnership firm in respect of salary and interest to its partners u/s 40(b)?
- 66) What record should be maintained under GST system by a registered dealer?
- 67) Return of income was signed by the company secretary. Is the return valid?

68) State when a return of income can be defective? State in brief the merits and demerits of GST.

69) What are the basic conditions for levying excise duty under the Central Excise Act?

70) State six incomes which are fully exempted from tax u/s 10 of the Income-tax Act.

C) Carrying marks 10

- 1) Income-tax is one tax, not an aggregation of taxes. Discuss
- 2) Incidence of tax depends on residential status of an individual. Discuss
- 3) What do you mean by the term 'casual and non-recurring receipts'? To what extent they are taxable?
- 4) Discuss the provisions of the Income-tax Act regarding taxability of agricultural income.
- 5) 'Ownership' itself is the criterion for assessment under the head, 'Income from House Property'. Elucidate the statement.
- 6) 'Although agricultural income is exempted, yet it has taxability'. Do you agree with the statement? Give reasons for your answer.
- 7) Different types of problems according to residential status.
- 8) Different types of problems under the head, 'Income from Salary'.
- 9) Computation of taxable income from house property.
- 10) Computation of taxable income from business and profession, capital gains, etc.
- 11) Consultation of different universities question papers.
- 12) Problems from set off and carry forward of losses.
- 13) Computation of total/taxable income of individual, company, partnership/ firm, etc.
- 14) Computation of tax liability with different illustrations.
- 15) Computation of net wealth and wealth tax.
- 16) Computation of GST under different situations.
- 17) Showing practical examples in case of filing return, computation of advance payment of tax, quarterly payment of tax, etc.
- 18) Every assessee is person but every person may not be assessee. Elucidate the statement with examples.
- 19) State the circumstances in which the income of the wife of an assessee are included in the assessee's total income?
- 20) Application of different sections in computing total income of different assessees.
- 21) State the relations between AOP and BOI with examples.
- 22) How would you determine the annual value of a house property, one-fourth of which is let-out and three-fourth of which is self occupied?
- 23) Give the tax treatment on non-agricultural income when the assessee has also agriculture income.
- 24) Discuss the provisions of the Income-tax Act regarding residential status of an Indian citizen for the relevant assessment year.

- 25) What do you mean by refund of tax? When does it arise? Discuss the provisions of the Income-tax Act regarding refund of tax.
- 26) In some cases income of the previous year is taxable in the same year. What are those cases? Discuss with examples.
- 27) How is the income from sub-letting a building taken on lease assessed? When is a lessee considered owner of the property for the purpose of charging income from such property under the head 'Income from House property'?
- 28) Discuss the provisions of the Income-tax Act for the purpose of assessment of deemed owned of property under the head 'Income from House Property'?
- 29) Discuss the provisions of the Income-tax act relating to the deduction admissible u/s 80C.
- 30) Discuss the provisions of the Income-tax act relating to exemption available to a newly established industrial undertaking in Free Trade Zones.
- 31) Discuss the different stages in the imposition of income-tax.
- 32) Give a note on the procedure of computing tax liability of an individual.
- 33) How can the unabsorbed depreciation be carried forward and set off?
- 34) Explain the provision of the Income-tax Act relating to inter-source adjustment.
- 35) Explain the provision of the Income-tax Act relating to inter-head adjustment.
- 36) What do you mean by transfer of 'capital asset'? Name some transactions which are considered as such 'transfer'.
- 37) What are the provisions of the Income-tax Act regarding the admissibility of the interest on loan taken for the construction of the house property, for the period prior to the completion of construction of the house?
- 38) State the nature of different kinds of provident funds and their tax role.
- 39) State the conditions to be satisfied for treating an income as agricultural income.
- 40) Discuss the consequences of GST on the Indian economy.
- 41) Discuss the deductions available u/s 54, 54B and 54D in computing capital gains.
- 42) State the conditions to be fulfilled for getting deductions u/s 37(1)?
- 43) Define Indian income and Foreign income.
- 44) What is accrual income? What do you understand by income deemed to accrue or arise in India u/s 9?
- 45) Give an idea about tax evasion, tax avoidance and tax planning. State also the relations among them.
- 46) "The general rule is that the income of the previous year alone should be taxed in the immediately following assessment year.; but there are some exceptions'. What are those exceptions?
- 47) Specify the persons who are authorized to sign and verify u/s 140, the return of income filed u/s 139 in the cases of (a) political party; (b) local authority; (c) AOP; and limited liability partnership.

- 48) In whose hands the income from an asset is chargeable to tax in the case of transfer which is not recoverable during the life time of the beneficiary/transferee? Justify your answer in the light of taxation rules and laws.
- 49) State the provisions for self-assessment prescribed u/s 140.
- 50) State the scope of total income in the case of an individual, whose residential status is non-resident with reference to section 5(2).
- 51) Explain the consequences of failure to deduct tax at source and payment of the same to the Government.
- 52) Explain 'previous year' for undisclosed sources of income.
- 53) Enlist the instalments of advance tax and due dates thereon in case of an individual.
- 54) Can an individual who is not in India, sign the return of income from outside India? Is there any other option?
- 55) Discuss in brief the provisions relating to set off and carry forward of losses in speculation business.
- 56) Briefly discuss about the provisions relating to deductibility of expenditure incurred in relation to income not includible in assessee's total income.
- 57) How to deal with conversion of a self-acquired property into the property of an HUF?
- 58) Explain the provisions with regard to clubbing of income of spouse u/s 64.
- 59) Write briefly about the provisions regarding deductions from gross total income in respect of medical treatment of dependent disabled u/s 80DD and in respect of medical treatment of assessee himself/herself or dependent u/s 80DDB.
- 60) What is slump sale? How is capital gain computed in case of a slump sale?
- 61) In some exceptional cases, the accommodation provided at free of rent or at concessional rent is not treated as perquisite as per Income-tax act. Discuss.
- 62) What are the due dates for submission of return of income by different types of assessee?
- 63) What are the essential conditions for taxing on income from house property?
- 64) Discuss the power of Income-tax authority to collect information during survey u/s 133B.
- 65) Explain the provisions with regard to clubbing income of spouse u/s 64.
- 66) What are the consequences of failure to deduct tax at source or pay the tax deducted at source to the credit of the Central Government?
- 67) What is the meaning of 'incorrect claim' apparent from any information in the return of income which needs prima facie u/s 143(1)?
- 68) Enlist the instalments of advance tax and due dates thereon in case of companies.
- 69) Explain the consequences of not deducting tax and paying to the Government account u/s 201.
- 70) Tax planning and tax management are same and alike. Do you agree with the statement? Justify in favor of your answer.

- 71) What is meant by input tax credit in the context of GST provisions? How does input tax credit help in achieving the essence of GST?
- 72) Discuss the major deficiencies of GST system in India?
- 73) Discuss the taxability of agricultural income. How will income be computed where an individual derives agricultural and non-agricultural income?
- 74) State the provisions regarding registration of a dealer under the GST Act?
- 75) Discuss 'excisable goods' and 'factory' as per the Central Excise Act.