REV-01
BLB/50/25/30

2025/06

SET A

BALLB
EIGHTH SEMESTER
PRINCIPLES OF TAXATION
BLB – 804

[USE OMR FOR OBJECTIVE PART]

Duration: 3 hrs. **Full Marks: 70**

Time: 30 min. **Marks: 20**

(Objective)

Choose the correct answer from the following: ***1×20=20***

1. The principle that states " a tax system should be designed to minimize all unnecessary costs of collection " refers to-
   a. Economy
   b. Convenience
   c. Efficiency
   d. Simplicity

2. Digital taxation primarily addresses-
   a. Traditional brick-and-mortar businesses
   b. Online transaction and digital services
   c. Agricultural incomes
   d. Property transfers

3. Which principle addresses the negative impact of taxation on economic growth?
   a. Equity
   b. Productivity
   c. Neutrality
   d. Simplicity

4. Which of the following is NOT a principle of good tax administration?
   a. Cost effectiveness
   b. Convenience
   c. Transparency
   d. Arbitrary collection.

5. The concept of "ability to pay " is best reflected in -
   a. Progressive taxation
   b. Regressive taxation
   c. Flat taxation
   d. Proportional taxation

6. Income Tax divides your Income into ___main types.
   a. 5
   b. 4
   c. 6
   d. 7

7. Income which do not form part of the Total Income are ___from tax
   a. Not exempted
   b. Exempted
   c. Depends
   d. None of the above

8. ___is a system where the seller collects an additional tax amount from the buyers at the time of sale
   a. TDS
   b. TAX
   c. TCS
   d. None

9. Advance Tax is paid in ___
   a. End of financial year
   b. Annually
   c. One time payment
   d. Installments

10. The Central Board of Direct Taxes (CBDT) is appointed by the Central Government under the
    a. Central Board of Revenue Act
    b. RBI
    c. Central Government
    d. Income Tax Act.

11. What is the primary purpose of international taxation?
    a. To simplify global financial transactions
    b. To increase government revenue through complex tax scheme
    c. To maximize corporate profits
    d. To prevent double taxation

12. Transfer pricing primarily deals with-
    a. Foreign investment regulations
    b. International shipping costs
    c. Pricing of goods and services between related companies in different countries
    d. Currency exchange rates

13. The arm's length principle in transfer pricing means
    a. Related companies can set any price they choose
    b. Transaction between related companies should be priced as if they were between unrelated parties
    c. Governments determine the exact pricing of intercompany transactions
    d. Companies can always use the lowest possible price.

14. What is the primary purpose of a Double taxation avoidance agreement (DTAA)?
    a. To prevent the same income from being taxed twice in different countries
    b. To increase taxes on international income
    c. To create more complex tax calculations
    d. To limit foreign investments.

15. Which international organization plays a significant role in developing international tax standards?
    a. World bank
    b. International monetary fund(IMF)
    c. United Nations
    d. Organization for economic co-operation and development (OECD)

16. Which of the following is Adam Smith's first canon of taxation?
    a. Canon of Economy
    b. Canon of Convenience
    c. Canon of Equality
    d. Canon of Certainity

17. The principle that states "tax should be levied according to a taxpayer's ability to pay" refers to-
    a. Benefit principle
    b. Ability-to-pay principle
    c. Convenience principle
    d. Certainty principle

18. Which type of tax burden is shifted from the person who pays the tax to someone else?
    a. Direct tax
    b. Indirect tax
    c. Progressive tax
    d. Regressive tax

19. The "deadweight loss" in taxation refers to-

a. Revenue lost due to tax evasion
b. Administrative costs of tax collection
c. Depreciation in value of taxable assets
d. Economic inefficiency caused by taxation

20. A tax that takes a higher percentage from low-income earners than from high-income earners is called-

a. Progressive tax
b. Proportional tax
c. Regressive tax
d. Direct tax

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(Descriptive)

Time : 2 hrs. 30 min. **Marks : 50**

[Answer question no.1 & any four (4) from the rest]

1. Define the term 'GST . Write about the constitutional provisions , implementation and liability of the Tax payer under GST Regime. 3+7=10

2. Define the term 'Assessment Year' and 'Residential Status' under Income Tax Act, 1961. Explain the various 'Characteristic' of Taxation Law. 4+6=10

3. Define the term' Income' and 'Previous Year' under Income Tax Act, 1961. Explain those income which do not form part of Total Income' under Taxation Law. 4+6=10

4. Explain the pre-Indian Independence tax system? What are the Constitutional safeguards regarding taxation ? 4+6=10

5. Define the term 'TDS' and explain its rates under DTAA under the International Taxation. 4+6=10

6. What is "Treaty shopping" in International Taxation? What are the primary purposes of a Tax treaty between countries? 4+6=10

7. Define the term "Black Money". What are its characteristics and are there any laws to convert black money into white? 4+4+2 =10

8. Critically examine the definition of "agricultural income" under the Assam Agricultural Income Tax Act, 1939 in comparison with the .Income Tax Act , 1961. 10

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