43386

BRAINWARE UNIVERSITY

Term End Examination 2025-2026
Programme – MBA-2024
Course Name – Taxation
Course Code - MBA40204B
(Semester IV)

Full Marks : 60 **Time : 2:30 Hours**

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

Group-A

(Multiple Choice Type Question) 1 x 15=15

1. *Choose the correct alternative from the following :*

(i) Identify the income which is chargeable to tax in India.
- a) Global income of resident
- b) Foreign income of non-resident
- c) Agricultural income
- d) Exempt income

(ii) State the meaning of "Representative Assessee".
- a) Tax consultant
- b) Person representing assessee
- c) Legal heir or guardian
- d) Employer

(iii) Define exempted income.
- a) Taxable income
- b) Income not included in total income
- c) Foreign income
- d) Capital income

(iv) Illustrate taxable allowances by selecting an example.
- a) HRA
- b) Dearness allowance
- c) Conveyance allowance
- d) Children education allowance

(v) Distinguish statutory provident fund from recognized provident fund.
- a) Employer contribution taxable
- b) Employee contribution taxable
- c) Tax treatment differs
- d) Interest not credited

(vi) Explain the concept of annual value under house property.
- a) Cost of property
- b) Income earned
- c) Reasonable expected rent
- d) Sale value

(vii) Distinguish salary in lieu of salary from advance salary.
- a) Both taxable
- b) Both exempt
- c) Different timing of taxability
- d) Not income

(viii) Compute the taxable capital gain on sale of a capital asset.
- a) Sale value minus expenses
- b) Sale value minus cost
- c) Sale value minus indexed cost
- d) Sale value minus indexed cost and expenses

(ix) Explain the basis of charge for income from other sources.

a) Accrual only | b) Receipt only
c) Accrual or receipt | d) Cash system

(x) Compute taxable income after set-off of business loss.

a) Gross income | b) Total income
c) Adjusted income | d) Exempt income

(xi) Analyze the rationale behind set-off of losses.

a) Reduce income | b) Increase income
c) Ensure equity | d) Penalize taxpayer

(xii) Compare rebate under Section 87A with deduction under Section 80C.

a) Both reduce income | b) Both reduce tax
c) Different tax impact | d) Same provision

(xiii) Analyze whether business loss can be carried forward indefinitely.

a) Yes | b) No
c) Depends on loss type | d) Only once

(xiv) Assess the effectiveness of Anti-Profiteering Rules under GST.

a) Ineffective | b) Moderately effective
c) Effective in price control | d) Not applicable

(xv) Recommend GST as a superior tax reform over the previous system.

a) Not recommended | b) Partly recommended
c) Strongly recommended | d) Neutral

Group-B

(Short Answer Type Questions) 3 x 5=15

2. Define the term Previous Year under the Income Tax Act. (3)
3. Describe the concept of perquisites and their taxability for the Assessment Year 2026-27. (3)
4. Calculate the income chargeable under the head salaries for AY - 2026-27, of an employee who receives basic salary of ₹40,000 per month and dearness allowance of ₹10,000 per month. (3)
5. Justify the introduction of Input Tax Credit under the GST regime. (3)
6. Explain the process of computation of total income under the Income-tax Act applicable for the Assessment Year 2026–27. (3)

OR

Differentiate between set-off of losses and carry forward of losses under the Income-tax Act. (3)

Group-C

(Long Answer Type Questions) 5 x 6=30

7. Identify and state the basic conditions for determining residential status of an individual in India. (5)
8. Illustrate the meaning of capital assets and explain their classification under the Act. (5)
9. Critique the impact of GST on small businesses. (5)
10. Weigh the advantages and disadvantages of GST from a consumer viewpoint. (5)
11. Mr. A is employed in a private company and provides the following details for the previous year: • Basic Salary ₹9,60,000 • Dearness Allowance (forming part) ₹2,40,000 • House Rent Allowance received ₹4,20,000 • Rent paid ₹4,80,000 • Employer's contribution to Recognized Provident Fund ₹1,80,000 • Professional tax paid ₹2,500 Compute taxable income from salary for AY 2026–27. (5)
12. Distinguish between set-off and carry forward of losses. (5)

OR

Dissect the concept of clubbing of income under the Act. (5)