

# SHRI GURU NANAK DEGREE COLLEGE

Preet Vihar, RUDRAPUR

BBA 5th Semester

BBA501 – Direct and Indirect Tax

## Section A: Long Answer Questions

1. Explain the basis of charge under Income Tax Act. Describe the rates of tax applicable to individuals for AY 2025–26.
2. Explain the concept of Residential Status with examples. Discuss the scope of total income for different residential status.
3. What are the five heads of income? Explain any two heads of income with their components.
4. Explain aggregation of income and set-off and carry forward of losses.
5. What are the deductions available under Chapter VI-A? Explain the deduction under section 80C with examples.
6. Explain the provisions of advance tax and self-assessment tax.
7. Explain the computation of tax liability of individuals.
8. Discuss provisions for TDS and TCS.
9. Explain provisions for filing return of income. What is the due date for return filing? Discuss late filing consequences.
10. Describe the penalties under the Income Tax Act.
11. What are clubbing of incomes and deemed incomes?
12. Write a note on tax planning and tax evasion.
13. Explain CGST and SGST with examples.
14. Describe the process of GST registration.
15. Explain the concept of time and value of supply in GST.
16. Describe input tax credit mechanism with example.
17. What is an electronic way bill? Explain its importance.
18. Explain computation of GST liability with example.
19. Differentiate between CGST, SGST and IGST with examples.
20. Discuss the concept of credit and debit notes under GST.
21. Explain reverse charge mechanism in GST.
22. Discuss the rules related to GST invoice and returns.
23. Explain provisions regarding deductions from gross total income.
24. Discuss the importance of PAN in income tax compliance.
25. What is the procedure for GST refund?
26. Write a note on GST compliance rating.
27. Define exempt, nil-rated, and zero-rated supply.
28. Explain types of returns under GST (GSTR-1, 3B, etc.)
29. Discuss valuation of supply under GST.
30. Explain anti-profiteering provisions under GST law.
31. Differentiate between direct and indirect taxes with examples.

32. How has GST helped in removing the cascading effect of taxes?
33. Explain provisions for audit under Income Tax.
34. What is tax deduction at source? Give examples.
35. Discuss steps involved in filing online ITR-1.
36. Explain the role of TRACES portal.
37. Discuss assessment procedure under section 143.
38. Explain clubbing of minor child's income.
39. Write a note on computation of capital gains with example.
40. Discuss filing of belated and revised return.
41. Name the different kinds of provident funds of which a salary person may be a member and stayed the income tax provisions regarding each.
42. What is GST? Explain in brief the components of GST.
43. What is capital gain? Distinguish between short-term capital gain and long-term capital gain.
44. Define the term income. Distinguish between gross total income and total income.
45. Explain any 10 items of income, which do not form part of total income.
46. Write short notes on:
  - a) Deduction of tax at source
  - b) Indirect tax
  - c) Set off and carry forward of losses
  - d) GST council.
47. What is meant by annual value of house property? How is it determined? What deductions are allowed from annual value in computing taxable income from house property?
48. What do you understand by income from other sources? State the main income which are included under this head.
49. Write short notes on:
  - a) Gratuity
  - b) Leave encashment,
  - c) Casual income person.
50. There are certain expenditures which are specifically allowed while computing the income of an SSC under profits and gains of business or profession. Discuss in detail.

### Section B: Short Answer Questions

1. Define Assessment Year.
2. What is Previous Year?
3. Explain the meaning of Gross Total Income.
4. List five exempted incomes under section 10.
5. What is agricultural income?
6. Define residential status.
7. Write short note on "Income from Salary."
8. What is House Property income?
9. List heads of income under section 14.

10. What is set-off of losses?
11. Define carry forward of losses.
12. What are allowable deductions under section 80D?
13. What is standard deduction?
14. What is advance tax?
15. What is self-assessment tax?
16. What is TDS certificate?
17. Explain Form 26AS.
18. What is PAN?
19. What is return of income?
20. Write about belated return.
21. Define CGST.
22. Define SGST.
23. Define IGST.
24. What is the time of supply in GST?
25. What is place of supply?
26. Explain meaning of composite and mixed supply.
27. What is taxable supply?
28. Write short note on tax invoice.
29. What is debit note?
30. What is reverse charge mechanism?
31. What is input tax credit?
32. Write about GSTIN.
33. What is GST return?
34. Define HSN code.
35. Write short note on aggregate turnover.
36. What is GSTR-1?
37. What is GSTR-3B?
38. What is TDS under GST?
39. What is TCS under GST?
40. Define exempt supply.
41. What is capital gain?
42. What is clubbing of income?
43. What is rebate under section 87A?
44. Define casual taxable person.
45. Write short note on composition scheme.
46. What is e-way bill?
47. What is deemed income?
48. Explain marginal relief.
49. What is presumptive taxation scheme?
50. Write short note on voluntary registration under GST.

## Section C: Objective Questions

### Unit I: Basic Concepts of Income Tax

1. Income Tax Act came into force on:
  - a) 1st April 1960
  - b) 1st April 1961
  - c) 1st April 1962
  - d) 1st April 1950
2. Assessment year is the year in which:
  - a) Income is earned
  - b) Tax is paid
  - c) Income is assessed
  - d) Return is filed
3. Previous year means:
  - a) The year before last year
  - b) Year in which income is earned
  - c) Year in which return is filed
  - d) Calendar year
4. A person includes:
  - a) Individual only
  - b) Individual and HUF only
  - c) Individual, HUF, Firm, Company, etc.
  - d) Only company
5. Residential status is important to determine:
  - a) Deductions
  - b) Exemptions
  - c) Taxability of income
  - d) Filing of return
6. An individual becomes resident if he stays in India for:
  - a) 60 days or more
  - b) 182 days or more
  - c) 90 days or more
  - d) 240 days or more
7. Income received in India is:
  - a) Taxable only for residents
  - b) Exempt
  - c) Taxable for all
  - d) Not taxable
8. Agricultural income is:
  - a) Fully taxable

- b) Fully exempt
- c) Partially taxable
- d) Taxable for NRIs

9. Capital gains is taxable under:

- a) Income from salary
- b) Income from business
- c) Capital gains
- d) Other sources

10. Long-term capital asset means an asset held for:

- a) Less than 6 months
- b) Less than 12 months
- c) More than 24 months
- d) More than 36 months

### Unit II: Income of Other Persons, Aggregation, Deductions

11. Clubbing of income means:

- a) Adding one's own incomes
- b) Adding others' incomes to own
- c) Deducting others' incomes
- d) Hiding income

12. Set-off of losses means:

- a) Adding income
- b) Deducting losses from income
- c) Transferring loss
- d) Hiding income

13. Maximum limit of deduction under section 80C:

- a) ₹1,00,000
- b) ₹1,50,000
- c) ₹2,00,000
- d) ₹2,50,000

14. Deduction under section 80D is available for:

- a) LIC premium
- b) Tuition fees
- c) Medical insurance
- d) Mutual funds

15. Income of minor child is:

- a) Exempt
- b) Clubbed with parent
- c) Separate income



d) Taxed at special rate

16. Loss from house property can be set off against:

- a) Salary
- b) Business
- c) Other heads
- d) All of the above

17. Deduction under section 80E is for:

- a) Education loan interest
- b) School fees
- c) Tuition fees
- d) Hostel expenses

18. Exemption limit for gratuity under income tax is:

- a) ₹10 lakh
- b) ₹20 lakh
- c) ₹5 lakh
- d) ₹3 lakh

19. Gift received from relative is:

- a) Fully taxable
- b) Partly taxable
- c) Exempt
- d) Exempt up to ₹25,000

20. Casual income includes:

- a) Salary
- b) Rent
- c) Lottery winning
- d) Business income

### Unit III: Computation of Income and Tax

21. Tax on income is computed on:

- a) Gross income
- b) Exempt income
- c) Total income
- d) Net income

22. Standard deduction allowed to salaried employees:

- a) ₹30,000
- b) ₹40,000
- c) ₹50,000
- d) ₹60,000

23. Tax deducted at source is applicable to:

- a) All incomes
- b) Specified payments
- c) Exempt incomes
- d) Government payments only

24. Advance tax is payable if tax liability exceeds:

- a) ₹1,000
- b) ₹5,000
- c) ₹10,000
- d) ₹15,000

25. Self-assessment tax is paid:

- a) Before filing return
- b) After assessment
- c) After refund
- d) Before earning income

26. Filing of return is compulsory if total income exceeds:

- a) ₹2,50,000
- b) ₹3,00,000
- c) ₹5,00,000
- d) ₹10,00,000

27. Rebate under section 87A for AY 2025–26 is:

- a) ₹5,000
- b) ₹10,000
- c) ₹12,500
- d) ₹25,000

28. Form for salaried individuals (ITR):

- a) ITR-1
- b) ITR-2
- c) ITR-3
- d) ITR-4

29. House property income is computed on:

- a) Market value
- b) Annual value
- c) Cost of property
- d) Sale price

30. Exemption for children education allowance per child:

- a) ₹50
- b) ₹100
- c) ₹200
- d) ₹500

#### Unit IV: Indirect Tax – GST

31. GST was implemented in India from:

- a) 1st April 2016
- b) 1st July 2017
- c) 1st March 2018
- d) 1st January 2017

32. CGST and SGST are applicable on:

- a) Interstate supply
- b) Intrastate supply
- c) Import
- d) Export

33. IGST is applicable on:

- a) Intrastate sale
- b) Local sales
- c) Interstate and imports
- d) Services only

34. GST is a:

- a) Direct tax
- b) Indirect tax
- c) Mixed tax
- d) None

35. GST council is headed by:

- a) RBI Governor
- b) Finance Secretary
- c) Union Finance Minister
- d) Prime Minister

36. Input Tax Credit is:

- a) Rebate from income
- b) Deduction from expense
- c) Credit of GST paid on purchases
- d) None

37. Time of supply means:

- a) Date of invoice
- b) Date of payment
- c) Earlier of both
- d) None

38. GSTR-3B is:

- a) Annual return
- b) Monthly summary return
- c) Purchase return
- d) Final return

39. Taxable event under GST:

- a) Sale
- b) Supply
- c) Manufacture
- d) Delivery

40. Reverse charge means:

- a) Seller pays tax
- b) Buyer pays tax
- c) Government pays tax
- d) No tax paid

41. Composition scheme under GST is applicable to:

- a) Large traders
- b) Service providers
- c) Small traders
- d) Foreign suppliers

42. Maximum limit for composition scheme:

- a) ₹20 lakhs
- b) ₹50 lakhs
- c) ₹1 crore
- d) ₹1.5 crore

43. GST on education services is:

- a) 0%
- b) 5%
- c) 12%
- d) 18%

44. GST returns are filed:

- a) Weekly
- b) Monthly and annually
- c) Quarterly only
- d) Half-yearly

45. HSN stands for:

- a) Harmonized System of Numbers
- b) Harmonized System of Nomenclature
- c) Half-yearly Sales Number
- d) None

46. E-way bill is required for:

- a) Cash payments
- b) Goods over ₹50,000 in value
- c) International travel
- d) GST registration

47. Which of these is exempt under GST?

- a) Alcohol
- b) Education
- c) Petroleum
- d) All of these

48. Credit note is issued when:

- a) Sale is made
- b) Goods are returned or overcharged
- c) Tax is paid
- d) Invoice is cancelled

49. Input tax credit is available only when:

- a) GST is paid
- b) Goods are returned
- c) Invoice is lost
- d) Advance received

50. Final GST return is:

- a) GSTR-9
- b) GSTR-1
- c) GSTR-3B
- d) GSTR-4

