

[This question paper contains 3 printed pages]

**Your Roll No.** :.....

**Sl. No. of Q. Paper** : **4151** **G**

Unique Paper Code : 7142

Name of the Course : **M.COM.**

Name of the Paper : Principles and Practice  
of Taxation and Indian  
Tax System

Semester : IV (OC)

**Time : 3 Hours** **Maximum Marks : 100**

**Instructions for Candidates :**

- (a) Write your Roll No. on the top immediately on receipt of this question paper.
- (b) Attempt **all** questions.
- (c) **All** questions carry equal marks.

1. Distinguish between direct taxes and indirect taxes. Also state their relative importance for an economy like India. 20

P.T.O.

**OR**

What is tax evasion? How widespread is tax evasion in India? What could be consequences of tax evasion for an economy like India ?

2. What do you understand by Elasticity of tax system ? How it is different from buoyancy of tax system ? Also state relative importance of elasticity and buoyancy for a tax system. 20

**OR**

Explain progressive and regressive tax rate structures, also state their relative importance for efficiency aspect of taxation?

3. Explain the concept of transfer pricing and its abuse ? Also state the role of Arm's length price to prevent the abuse of transfer pricing. 20

**OR**

What are the advantages and disadvantages of offering tax incentives in a country like India ?

4. What are the various methods of alleviating international double taxation ? Also explain the concept of Tax Treaty Shopping. 20

**OR**

What are the expected benefits of implementing GST in India ?

5. Write notes on any **two** of the following :

10×2=20

- (a) Excess burden of taxation
- (b) Benefit principle of taxation
- (c) Costs associated with taxation
- (d) Vertical and Horizontal Equity