

2125

B.Com. (Tax Planning and Management) FYUP
Third Semester
NBCM -304: Principles of Taxation

Time allowed: 3 Hours

Max. Marks: 80

NOTE: Attempt four short answer type questions from Section-A. Attempt two questions each from Section B and C respectively.

x-x-x

Section – A

I. Attempt any four of the following:-

- a) Explain the relationship between taxation and employment creation.
- b) Why do developing countries often have lower Tax-GDP ratios?
- c) Which type of taxes dominate in India's fiscal structure?
- d) State one method to reduce excess burden of taxation.
- e) How do tax incentives promote investment?
- f) Why are there restrictions on states' taxation powers? (4x5)

Section-B

- II. Compare and contrast classical and modern canons of taxation. Which are more relevant for India today? (15)
- III. Critically analyze India's taxable capacity in relation to its developmental needs. Suggest ways to expand India's taxable capacity without harming economic growth. (15)
- IV. Evaluate whether India's present tax structure ensures equity and efficiency. (15)
- V. Distinguish between direct and indirect taxes on the basis of shifting, incidence, and equity. (15)

Section - C

- VI. Discuss the factors determining the extent of tax shifting in the Indian context. (15)
- VII. Critically analyze the role of tax incentives in reducing tax evasion. Do incentives always encourage compliance? (15)
- VIII. Critically examine whether tax incentives lead to long-term economic benefits or simply short-term tax revenue losses. (15)
- IX. Explain the system of sharing of central taxes between the Union and the States. How does it promote fiscal federalism? (15)

x-x-x