

Dr. Babasaheb Ambedkar Open University
Term End Examination February - 2026

Course	: BBAR	Date	: 16-Feb-26
Subject Code	: BBAR-501	Time	: 11:30am to 01:45pm
Subject Name	: Direct and Indirect Taxes	Duration	: 02.15 Hours
		Max. Marks	: 70

Section A

Answer the following (Attempt any three) (30)

1. Discuss advantages and disadvantages of Direct taxes.
2. Define salary and deduction available under the head Salaries.
3. Explain, in brief, the provisions of income-tax Act, 1961, for computing the 'Income from House Property'
4. What are the objects and powers of Settlement Commission?
5. Write in detail about components of GST.

Section B

Answer the following (Attempt any four) (20)

1. What is Taxation? Explain characteristic of Taxation.
2. Which are the objectives of Income Tax?
3. Which are the criteria of the concept of Income?
4. Write a note on Agricultural Income.
5. What incomes are chargeable under the head Profit and Gains of Business or Profession?
6. Which are the Stages in Calculation of payment of advance tax?

Section C

Part – A (Multiple Choice Questions) (10)

- 1 A is a compulsory payment to be made to the Government by the public.
A Tax B Fine
C Penalty D None of the above
- 2 One of the major sources of Government revenue is
A Import Income B Taxation
C Export Income D None of the above
- 3 There are major heads of income under income tax act
A 12 B 6
C 10 D 5
- 4 The income earned by way of smuggling of gold is _____ under income-tax.
A Illegal B Liable to Tax
C Legal D None of the above
- 5 Which of the following entities are included in the status of Residence
A Individual B HUF
C Company D All of the above

- 6 The full form of GST is

A Goods and Saving Tax	B Goods and Service Tent
C Goods and Service Tax	D God and Service Tax
- 7 Free children education perquisites for one child maximum Rs._____

A 2000	B 1000
C 3000	D 5000
- 8 Winnings from lotteries, races etc. are taxable under the head

A Income from business and profession	B Income from Capital Gain
C Income from Salary	D Income from other sources
- 9 Interest on securities is chargeable to tax on basis of followed by the assessee.

A Cash method	B accounting method
C accrual method	D FIFO method
- 10 The Administration of Income-tax Law is the responsibility of the

A Central Government	B State Government
C Foreign Government	D None of the above

Part – B (Do as Directed)

(10)

True or False

- 1 The Government of India provides for the division of tax powers between the people and states.
- 2 Latest finance bill is passed in Every financial year.
- 3 The term individual means a company.
- 4 Agriculture income is exempted under income tax act.
- 5 The income of an assessee decides the extent of his taxable income.
- 6 The full form of HRA is House Rent Allowances.
- 7 Standard deduction maximum Rs. 30000.
- 8 A short term capital gain is added to your total income.
- 9 In case of Inter-State supply of goods and services IGST is applicable.
- 10 CGST stands for Center Goods and Service Tax.
