

**END SEMESTER EXAMINATION, MAY - 2026****B. Com. (Hons.) Semester - VI****Subject Name: International Taxation****Subject Code: BCMAT111****Time allotted: 03 Hours****Max. Marks: 100****Note: Read all the instructions carefully****Q.1 Attempt all questions (CO1,2) (10x2=20Marks)**

- a. Explain international taxation.
- b. Explain residence-based taxation.
- c. Explain tax treaty.
- d. State residential status.
- e. Explain source-based taxation.
- f. Describe the concept of taxation of income in more than one country.
- g. Describe juridical double taxation.
- h. Describe economic double taxation.
- i. Explain DTAA.
- j. State previous year.

**Q.2 Attempt any five questions (CO3,4) (5x4=20Marks)**

- a. Explain arm's length price in simple terms.
- b. Explain deemed to accrue or arise.
- c. Explain international transaction in brief.
- d. Explain transfer pricing in simple words.
- e. State unilateral relief.
- f. Explain double taxation relief.
- g. State source rule of taxation.

**Q.3 Attempt any three questions (CO 4,5) (3x10=30Marks)**

- a. Explain the need for tax treaties and evaluate their role in reducing double taxation.
- b. Explain the concept of Permanent Establishment and evaluate its importance in taxation.
- c. Explain the concept of "deemed to accrue or arise in India" with reference to non-residents.
- d. Discuss the role of tax treaties in preventing tax evasion and tax avoidance.

**Q.4 Attempt any two questions (CO5,6) (2x15=30Marks)**

- a. An Indian company, ABC Ltd., has a branch in the UK. The profits earned by the UK branch are taxed in the UK as well as in India. ABC Ltd. claims relief under the Double Taxation Avoidance Agreement (DTAA) between India and the UK. However, there is confusion regarding the interpretation of certain terms in the treaty. The tax authorities in India interpret the provisions differently from the UK authorities. ABC Ltd. argues that the treaty should be interpreted based on international principles and not only domestic law. Explain how tax treaties help in avoiding double taxation in such cases. Suggest how disputes between countries can be resolved effectively.
- b. Country A (a developed country) and Country B (a developing country) are negotiating a tax treaty. Country A prefers the OECD Model, while Country B prefers the UN Model. Country A wants taxation based mainly on residence, while Country B wants more taxing rights as a source country. Compare the OECD Model and UN Model Tax Conventions in this context. Evaluate which model is more beneficial for developing countries. Suggest how both countries can reach a balanced agreement.
- c. A foreign digital company operates an online platform that sells digital products to customers in India. The company does not have any office, employees, or physical presence in India, but it earns substantial revenue from Indian users. The Indian tax authorities argue that the company should be taxed in India due to its significant economic presence, while the company claims that it is not liable to tax in India due to absence of physical presence. Explain the challenges in taxing e-commerce transactions in such situations. Suggest suitable measures to ensure fair taxation of such digital businesses.

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