

(GI-1, GI-2, GI-3, GI-4, VI-1 & SI-1)

DATE: 08.08.2019

MAXIMUM MARKS: 100

TIMING: 3¼ Hours

TAXATION**SECTION - A****Q. No. 1 is compulsory.****Question 1: Choose any one of the following correct answer-**

1. _____ specifies the activities to be treated as supply even if made without consideration.
 - (a) Schedule I of CGST Act
 - (b) Schedule II of CGST Act
 - (c) Schedule III of CGST Act
 - (d) All of the above
2. A _____ supply comprising of two or more supply shall be treated as the supply of that particular Supply that attracts highest rate of tax.
 - (a) Composite
 - (b) Mixed
 - (c) Both (a) and (b)
 - (d) None of the above
3. GST is payable by the recipient under reserve charge on:
 - (a) Sponsorship services
 - (b) Transport of goods by rail
 - (c) Transport of passengers by air
 - (d) All of the above
4. On supply of which of the following items, GST shall be levied with effect from such date as may be notified by the Government on the recommendations of the Council:
 - (a) Petroleum crude
 - (b) Alcoholic liquor for human consumption
 - (c) Both (a) and (b)
 - (d) None of the above
5. Transportation of passengers by _____ are exempt from GST.
 - (a) Air conditioned stage carriage
 - (b) Radio taxi
 - (c) Air, terminating in Nagaland airport
 - (d) All of the above
6. Transportation of passengers by _____ are exempt from GST.
 - (a) Railway in first class
 - (b) Railway in an air-conditioned coach
 - (c) Metro
 - (d) All of the above
7. What is the time of supply of service if the invoice is not issued within 30 days from the date of provision of service?
 - (a) Date of issue of invoice
 - (b) Date on which the supplier receives payment
 - (c) Date of provision of service
 - (d) Earlier of (b) & (c)

8. What is the time of supply of service where service are received from an associated enterprise located outside India?
- (a) Date of entry of services in the books of account of recipient of service
 - (b) Date of payment
 - (c) Earlier of (a) & (b)
 - (d) Date of entry of services in the books of the supplier of service
9. Discount given after the supply is deducted from the value of supply, if –
- (a) such discount is given as per the agreement entered into at/or before the supply
 - (b) such discount is linked to the relevant invoices
 - (c) proportionate input tax credit is reversed by the recipient of supply
 - (d) all of the above
10. Which of the following shall not be included in value of supply?
- (a) GST
 - (b) Interest
 - (c) Late fee
 - (d) Commission
11. What is the time limit for taking ITC?
- (a) 180 days
 - (b) 1 year
 - (c) 20th October of the next financial year or the date of filing annual return whichever is earlier
 - (d) No limit
12. For banking companies using inputs and input services partly for taxable supplies and partly for exempt supplies, which of the statement is true?
- (a) ITC shall be compulsorily restricted to credit attributable to taxable supplies including zero rated supplies
 - (b) 50% of eligible ITC on inputs, capital goods, and input service shall be mandatorily taken in a month and the rest shall lapse.
 - (c) Banking company can choose to exercise either option (a) or option (b)
 - (d) None of the above
13. Mr. A has started supply of goods in Delhi. He is required to obtain registration if his aggregate turnover exceeds _____ during a financial year.
- (a) Rs. 10 lakh
 - (b) Rs. 20 lakh
 - (c) Rs. 30 lakh
 - (d) Rs. 40 lakh
14. Which of the following persons are not liable for registration?
- (a) Any person engaged exclusively in supplying services wholly exempt from tax
 - (b) Persons making any inter-State taxable supply of goods
 - (c) Both (a) and (b)
 - (d) None of the above
15. In case of taxable supply of services by an insurer, invoice shall be issued within a period of _____ from the date of supply of service.
- (a) 30 days
 - (b) 45 days
 - (c) 60 days
 - (d) 90 days

16. In case of continuous supply of services, where due date of payment is not ascertainable from the contract, invoice shall be issued:
- before or at the time when the supplier of service receives the payment
 - on or before the due date of payment
 - Either (a) or (b)
 - None of the above
17. Balance in electronic credit ledger under SGST can be used against which liability?
- SGST Liability only
 - SGST and IGST liability
 - SGST, IGST and CGST liability
 - None of the above
18. The basic source of income-tax law is -
- Income-tax Act, 1961
 - Income-tax Rules, 1962
 - Circulars/Notifications issued by CBDT
 - Judgments of Courts
19. Where the total income of an artificial juridical person is Rs. 3,10,000, the income-tax payable is Rs. _____ and surcharge payable is Rs. _____.
- Rs. 3,000; surcharge - nil.
 - Rs. 6,000; surcharge - nil.
 - Rs. 500; surcharge - nil.
 - Rs. 93, 000; surcharge - Rs. 4650
20. Raman was employed in Hindustan Lever Ltd. He received a salary of Rs. 40,000 p.m. from 1.4.2018 to 27.9.2018. He resigned and left for Dubai for the first time on 1.10.2018 and got salary of rupee equivalent of Rs. 80,000 p.m. from 1.10.2018 to 31.3.2019. His salary for October to December 2018 was credited in his Dubai bank account and the salary for January to March 2019 was credited in his Bombay account directly. He is liable to tax in respect of -
- Income received in India from Hindustan Lever Ltd;
 - Income received in India and in Dubai;
 - Income received in India from Hindustan Lever Ltd. and income directly credited in India;
 - Income received in Dubai
21. Dividend Income from Australian company received in Australia in the year 2016, brought to India during the previous year 2018-19 is taxable in case of -
- resident and ordinarily resident only
 - resident but not ordinarily resident
 - non-resident
 - None of the above
22. Anirudh stays in New Delhi. His basic salary is Rs. 10,000 p.m., D.A. (60% of which forms part of pay) is Rs. 6,000 p.m., HRA is Rs. 5,000 p.m. and he is entitled to a commission of 1% on the turnover achieved by him. Anirudh pays a rent of Rs. 5,500 p.m. The turnover achieved by him during the current year is Rs. 12 lakhs. The amount of HRA exempt under section 10(13A) is -
- Rs. 48,480
 - Rs. 45,600
 - Rs. 49,680
 - Rs. 46,800

23. For the purpose of determining the perquisite value of loan at concessional rate given to the employee, the lending rate of State Bank of India as on___is required;
- (a) 1st day of the relevant previous year
 - (b) Last day of the relevant previous year
 - (c) the day the loan is given
 - (d) 1st day of the relevant assessment year
24. Mr. X, a retailer acquired furniture on 10th May 2018 for Rs. 10,000 in cash and on 15th May 2018, for Rs. 15,000 and Rs. 20,000 by a bearer cheque and account payee cheque, respectively. Depreciation allowable for A.Y. 2019-20 would be –
- (a) Rs. 2,000
 - (b) Rs. 3,000
 - (c) Rs. 3,500
 - (d) Rs. 4,500
25. Employer's contribution to provident fund/superannuation fund/gratuity fund is allowed as deduction in computing income under the head "Profits and gains of business or profession", provided it has been paid-
- (a) before the end of the previous year
 - (b) on or before the due date by which the employer is required to credit an employee's contribution to the employee's account in the relevant fund.
 - (c) on or before the due date for filing the return of income under section 139(1).
 - (d) before the end of the relevant assessment year
26. Under section 50C, the guideline value for stamp duty is taken as the full value of consideration only if -
- (a) the asset transferred is building and the actual consideration is less than the guideline value
 - (b) the asset transferred is either land or building or both and guideline value exceeds the actual consideration
 - (c) the asset transferred is either land or building or both and the guideline value exceeds 105% of the actual consideration.
 - (d) the asset transferred is land and the actual consideration is less than the guideline value
27. Under section 54EC, capital gains on transfer of land or building or both are exempted if invested in the bonds issued by NHAI & RECL or other notified bond-
- (a) within a period of 6 months from the date of transfer of the asset
 - (b) within a period of 6 months from the end of the relevant previous year
 - (c) within a period of 6 months from the end of the previous year or the due date for filing the return of income under section 139(1), whichever is earlier
 - (d) At any time before the end of the relevant previous year.
28. Exemption of a certain amount (not exceeding the income clubbed) is available under section 10(32), where a minor's income is clubbed with the income of the parent. The maximum exemption available is -
- (a) upto Rs. 1,500 in respect of each minor child
 - (b) upto Rs. 1,500 in respect of each minor child maximum of two children
 - (c) upto Rs. 2,000 in respect of each minor child
 - (d) upto Rs. 2000 in respect of each minor child maximum of two children
29. The due date for filing of a return of income for a company for Assessment Year 2019-20 is -
- (a) 31st July, 2019
 - (b) 30th September, 2019
 - (c) 31st October, 2019
 - (d) 31st August, 2019

30. Mr. X has a total income of Rs. 7 lakhs for A.Y. 2019-20. He files his return of income for A.Y. 2019-20 on 13th January, 2020. He is liable to pay fee of-
- (a) Rs. 1,000 under section 234F
 - (b) Rs. 5,000 under section 234F
 - (c) Rs. 10,000 under section 234F
 - (d) Not liable to pay any fee

**(1 Mark for Each Valid Answer)=
(Total 30 Marks)**

SECTION-B

**Candidates are required to answer all the questions
in this section.**

**Wherever necessary suitable assumptions should be made by the candidates.
Working notes should form part of the answer.**

Question 2:

Mr. B grows sugarcane and uses the same for the purpose of manufacturing sugar in his factory. 30% of sugarcane produce is sold for Rs. 10 lacs, and the cost of cultivation of such sugarcane is Rs. 5 lacs. The cost of cultivation of the balance sugarcane (70%) is Rs. 14 lacs and the market value of the same is Rs. 22 lacs. After incurring Rs. 1.5 lacs in the manufacturing process on the balance sugarcane, the sugar was sold for Rs. 25 lacs. Compute B's business income and agricultural income.

(3 Marks)

Question 3:

Mr. Dey, a non-resident, residing in US since 1990, came back to India on 1.4.2017 for permanent settlement. What will be his residential status for assessment years 2018-19 and 2019-20?

(4 Marks)

Question 4:

Compute the tax liability of Mr. A (aged 42), having total income of Rs. 1,01,00,000 for the Assessment Year 2019-20. Assume that his total income comprises of "Salary income", "Income under the head house property" and "Interest from fixed deposit Account".

(5 Marks)

Question 5:

Mr. Goyal receives the following emoluments during the previous year ending 31.03.2019.

Basic pay	Rs. 40,000
Dearness Allowance	Rs. 15,000
Commission	Rs. 10,000
Entertainment allowance	Rs. 4,000
Medical expenses reimbursed	Rs. 25,000
Professional tax paid	Rs. 2,000 (Rs. 1,000 was paid by his employer)

Mr. Goyal contributes Rs. 5,000 towards recognized provident fund. He has no other income. Determine the income from salary for A.Y. 2019-20, if Mr. Goyal is a State Government employee.

(5 Marks)

Question 6:

Mr. Gopi carrying on business as proprietor converted the same into a limited company by name Gopi Pipes (P) Ltd. from 01-07-2018. The details of the assets are given below:

	Rs.
Block - I WDV of plant & machinery (rate of depreciation @ 15%) on 01.04.2018	12,00,000
Block - II WDV of building (rate of depreciation @ 10%) on 01.04.2018	25,00,000

The company Gopi Pipes (P) Ltd. acquired plant and machinery in December 2018 for Rs. 10,00,000. It has been doing the business from 01-07-2018.

Compute the quantum of depreciation to be claimed by Mr. Gopi and successor Gopi Pipes (P) Ltd. for the assessment year 2019-20. Assume that plant and machinery were purchased by way of account payee cheque.

Note: Ignore additional depreciation.

(6 Marks)

Question 7:

Mr. Dinesh received a vacant site as gift from his friend in November 2005. The site was acquired by his friend for Rs. 7,00,000 in April 2002. Dinesh constructed a residential building during the year 2010-11 in the said site for Rs. 15,00,000. He carried out some further extension of the construction in the year 2012-13 for Rs. 5,00,000.

Dinesh sold the residential building for Rs. 55,00,000 in January 2019 but the State stamp valuation authority adopted Rs. 65,00,000 as value for the purpose of stamp duty.

Compute his long-term capital gain, for the assessment year 2019-20 based on the above information. The cost inflation indices are as follows:

Financial Year	Cost inflation index
2002-03	105
2005-06	117
2010-11	167
2012-13	200
2018-19	280

(6 Marks)

Question 8:

Examine with reasons, the allowability of the following expenses incurred by Mr. Manav, a wholesale dealer of commodities, under the Income-tax Act, 1961 while computing profit and gains from business or profession for the Assessment Year 2019-20.

- (i) Construction of school building in compliance with CSR activities amounting to Rs. 5,60,000.
- (ii) Purchase of building for the purpose of specified business of setting up and operating a warehousing facility for storage of food grains amounting to Rs. 4,50,000.
- (iii) Interest on loan paid to Mr. X (a resident) Rs. 50,000 on which tax has not been deducted. The sales for the previous year 2017-18 was Rs. 202 lakhs.
- (iv) Commodities transaction tax paid Rs. 20,000 on sale of bullion.

(8 Marks)

Question 9:

Mr. Batra furnishes the following details for year ended 31.03.2019:

Particulars	Rs.
Short term capital gain	1,40,000
Loss from speculative business	60,000
Long term capital gain on sale of land	30,000
Long term capital loss on sale of unlisted shares	1,00,000
Income from business of textile (after allowing current year depreciation)	50,000
Income from activity of owning and maintaining race horses	15,000
Income from salary (computed)	1,00,000
Loss from house property	40,000

Following are the brought forward losses:

- (i) Losses from activity of owning and maintaining race horses-pertaining to A.Y.2016-17 Rs. 25,000.
- (ii) Brought forward loss from business of textile Rs. 60,000 - Loss pertains to A.Y. 2011-12

Compute gross total income of Mr. Batra for the Assessment Year 2019-20. Also determine the losses eligible for carry forward to the Assessment Year 2020-21.

(10 Mark)

SECTION-C

**Candidates are required to answer all questions in this section.
Wherever necessary suitable assumptions should be made by the candidates.
Working notes should form part of the answer.**

Question 10:

Mohan Enterprises has two registered business verticals in Delhi. Its aggregate turnover for the preceding year for both the business verticals was Rs. 90 lakh. It wishes to pay tax under composition levy for one of the vertical in the current year while under normal levy for other vertical. You are required to advice Mohan Enterprise whether he can do so?

(3 Marks)

Question 11:

State whether the following supplies would be treated as supply of goods or supply of services as per Schedule II of the CGST Act:

- (a) Renting of immovable property
- (b) Goods forming part of business assets are transferred or disposed of by/under directions of person carrying on the business, whether or not for consideration.
- (c) Transfer of right in goods without transfer of title in goods.
- (d) Transfer of title in goods under an agreement which stipulates that property shall pass at a future date.

(4 Marks)

Question 12:

Determine taxable value of supply GST law with respect to each of the following independent services provided by the registered persons:

Particular	Gross amount charged (Rs.)
Fees charged for yoga camp conducted by a charitable trust registered under section 12AA of the Income-tax Act, 1961	50,000
Amount charged by business correspondent for the services provided to the rural branch of a bank with respect to Savings Bank Accounts	1,00,000
Amount charged by cord blood bank for preservation of stem cells	5,00,000
Amount charged for service provided by commentator to a recognized sports body	5,20,000

(4 Marks)

Question 13:

Mr. X, a supplier of goods, pays GST under regular scheme. Mr. X is not eligible for any threshold exemption. He has made the following outward taxable supplies in a tax period:

Particular	(Rs.)
Intra-State supply of goods	8,00,000
Inter-State supply of goods	3,00,000

He has also furnished the following information in respect of purchases made by him in that tax period:

Particulars	(Rs.)
Intra-State purchases of goods	3,00,000
Inter-State purchases of goods	50,000

Mr. X has following ITCs with him at the beginning of the tax period:

Particulars	(Rs.)
CGST	30,000
SGST	30,000
IGST	70,000

Note:

- (i) Rate of CGST, SGST and IGST to be 9%, 9% and 18% respectively.
 - (ii) Both inward and outward supplies are exclusive of taxes, wherever applicable.
 - (iii) All the conditions necessary for availing the ITC have been fulfilled.
- Compute the net GST payable by Mr. X during the tax period. Make suitable assumptions as required.

(6 Marks)

Question 14:

Determine the time of supply in the following cases assuming that GST is payable under reverse charge:

S. No.	Date of payment by recipient for supply of services	Date of issue of invoice by supplier of services
	(1)	(2)
(i)	August 10	June 29
(ii)	August 10	June 1
(iii)	Part payment made on June 30 and balance amount paid on September 1	June 29
(iv)	Payment is entered in the books of account on June 28 and debited in recipient’s bank account on June 30	June 1
(v)	Payment is entered in the books of account on June 30 and debited in recipient’s bank account on June 26	June 29

(6 Marks)
