

(GI-1, GI-2, GI-3, VI-1, SI-1, VDI-1)

DATE: 09.07.2021

MAXIMUM MARKS: 100

TIMING: 3¼ Hours

TAXATION

GENERAL INSTRUCTIONS TO CANDIDATES

1. The question paper comprises two parts, Part I and Part II.
2. Part I comprises Multiple Choice Questions (MCQs).
3. Part II comprises questions which require descriptive type answers.
4. Ensure that you receive the question paper relating to both the parts. If you have not received both, bring it to the notice of the invigilator.
5. Answers to Questions in Part I are to be marked on the OMR answer sheet only. Answers to questions in Part II are to be written on the descriptive type answer book. Answers to MCQs, if written in the descriptive type answer book, will not be evaluated.
6. OMR answer sheet will be in English only for all candidates, including for Hindi medium candidates.
7. The bar coded sticker provided in the attendance register, is to be affixed only on the descriptive type answer book. No bar code sticker is to be affixed on the OMR answer sheet.
8. You will be allowed to leave the examination hall only after the conclusion of the exam. If you have completed the paper before time, remain in your seat till the conclusion of the exam.
9. Duration of the examination is 3 hours. You will be required to submit (a) Part I of the question paper containing MCQs, (b) OMR answer sheet thereon and (c) the answer book in respect of descriptive type answer book to the invigilator before leaving the exam hall, after the conclusion of the exam.
10. The invigilator will give you acknowledgement on Page 2 of the admit card, upon receipt of the above-mentioned items.
11. Candidate found copying or receiving or giving any help or defying instructions of the invigilators will be expelled from the examination and will also be liable for further punitive action.

PART – II

1. Section-A comprises questions 1-4. In Section-A, answer Question No. 1 which is compulsory and any 2 questions from question No. 2-4. All questions in Section-A relate to assessment year 2019-20, unless otherwise stated.
Section-B comprises questions 5-8. In Section-B, answer Question No. 5 which is compulsory and any 2 questions from question No. 6-8.
2. Working notes should form part of the answer.
3. Answers to the questions are to be given only in English except in the case of candidates who have opted for Hindi Medium. If a candidate has not opted for Hindi Medium, his/her answers in Hindi will not be evaluated.
4. All questions in Section B should be answered on the basis of position of GST law as amended by significant notifications / circulars issued upto 30th April, 2019.

SECTION – A

PART – I – MULTIPLE CHOICE QUESTIONS

TOTAL MARKS: 30 MARKS

Write the most appropriate answer to each of the following multiple choice questions by choosing one of the four options given, All questions are compulsory.

1. Rajan, a resident Indian, has incurred Rs. 15,000 for medical treatment of his dependent brother, who is a person with severe disability and has deposited Rs. 20,000 with LIC for his maintenance. For A.Y. 2021-22, Rajan would be eligible for deduction under section 80DD of an amount equal to –
- (a) Rs. 15,000
 - (b) Rs. 35,000
 - (c) Rs. 75,000
 - (d) Rs. 1,25,000

(1 Mark)

2. Mr. Shiva made a donation of Rs. 50,000 to PM Cares Fund and Rs. 20,000 to Rajiv Gandhi Foundation by cheque. He made a cash donation of Rs. 10,000 to a public charitable trust. The deduction allowable to him under section 80G for A.Y. 2021-22 is –
- (a) Rs. 80,000
 - (b) Rs. 70,000
 - (c) Rs. 60,000
 - (d) Rs. 35,000

(1 Mark)

3. Mr. Ritvik has purchased his first house in Gwalior for self-occupation on 5.4.2020 for Rs. 45 lakhs (stamp duty value being the same) with bank loan sanctioned on 30.3.2020 and disbursed on 3.4.2020. He paid interest of Rs. 3.8 lakhs during the P.Y. 2020-21. What is the tax treatment of interest paid by him?
- (a) Interest of Rs. 2 lakhs allowable u/s 24
 - (b) Interest of Rs. 2 lakhs allowable u/s 24 and Rs. 1.8 lakhs allowable u/s 80EEA
 - (c) Interest of Rs. 2 lakhs allowable u/s 24 and Rs. 1.5 lakhs allowable u/s 80EEA
 - (d) Interest of Rs. 1.5 lakhs allowable u/s 24 and Rs. 1.5 lakhs allowable u/s 80EEA

(1 Mark)

4. Mr. Anuj is a businessman whose total income (after allowing deduction under Chapter VI-A except under section 80GG) for A.Y. 2021-22 is Rs. 5,95,000. He does not own any house property and is staying in a rented accommodation in Patna for a monthly rent of Rs. 9,000. Deduction under section 80GG for A.Y. 2021-22 is –
- (a) Rs. 48,500
 - (b) Rs. 1,48,750
 - (c) Rs. 60,000
 - (d) Rs. 1,08,000

(1 Mark)

5. If Mr. Y's total income for A.Y. 2021-22 is Rs. 52 Lakhs, surcharge is payable at the rate of -
- (a) 15%
 - (b) 12%
 - (c) 10%
 - (d) 2%
- (1 Mark)**
6. Unexhausted basic exemption limit of a resident individual can be adjusted against-
- (a) only LTCG taxable @20% u/s 112
 - (b) only STCG taxable @15% u/s 111A
 - (c) both (a) and (b)
 - (d) casual income taxable @30% u/s 115BB
- (1 Mark)**
7. Unexhausted basic exemption limit of a non-resident individual can be adjusted against -
- (a) only LTCG taxable @20% u/s 112
 - (b) only STCG taxable @15% u/s 111A
 - (c) both (a) and (b)
 - (d) neither (a) nor (b)
- (1 Mark)**
8. During the P.Y.2020-21, Mr. Ranjit has short-term capital gains of Rs. 95 lakhs taxable under section 111A, long-term capital gains of Rs. 110 lakhs taxable under section 112A and business income of Rs. 90 lakhs. Which of the following statements is correct?
- (a) Surcharge @25% is leviable on income-tax computed on total income of Rs. 2.95 crore, since total income exceeds Rs. 2 crore.
 - (b) Surcharge @15% is leviable on income-tax computed on total income of Rs. 2.95 crore.
 - (c) Surcharge @15% is leviable in respect of income-tax computed on capital gains of Rs. 2.05 crore; in respect of business income, surcharge is leviable@25% on income-tax, since total income exceeds Rs. 2 crore.
 - (d) Surcharge@15% is leviable in respect of income-tax computed on capital gains of Rs. 2.05 crore; surcharge@10% is leviable on income-tax computed on business income, since the same exceeds Rs. 50 lakhs but is less than Rs. 1 crore.
- (1 Mark)**
9. Which of the following statements is not true with respect to A.Y. 2021-22?
- (a) No exemption under section 80TTA would be available to resident senior citizens
 - (b) Share of profit will not be exempt in the hands of partner, if firm claims exemption of income under section 10AA
 - (c) Long term capital gains of Rs. 90,000 on STT paid listed equity shares would not be subject to income-tax under section 112A
 - (d) Exemption under section 10(32) on income of minor child is allowed for more than two children also
- (1 Mark)**

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10. Gross total income of Arpita for P.Y. 2020-21 is Rs. 6,00,000. She had taken a loan of Rs. 7,20,000 in the financial year 2017-18 from a bank for her husband who is pursuing MBA course from IIM, Kolkata. On 02.04.2020, she paid the first installment of loan of Rs. 45,000 and interest of Rs. 65,000. Compute her total income for A.Y. 2021-22.
- (a) Rs. 6,00,000
 (b) Rs. 5,35,000
 (c) Rs. 4,90,000
 (d) Rs. 5,55,000

(1 Mark)

11. Mr. Uttam presents you following data related to his tax liability for A.Y. 2021-22:

Particulars	Rs. in lakhs
Tax Liability as per regular provisions of Income-tax Act, 1961	15
Tax Liability as per section 115JC	12
AMT credit brought forward from A.Y. 2020-21	5

What shall be the tax liability of Mr. Uttam for A.Y. 2021-22?

- (a) Rs. 12 lakhs
 (b) Rs. 15 lakhs
 (c) Rs. 10 lakhs
 (d) Rs. 7 lakhs

(1 Mark)

12. Mr. Nekinsaan, aged 43 years, provides following income details for P.Y. 2020-21 as follows:

Particulars	Rs. in lakhs
Capital Gains under section 112A	120
Capital Gains under section 111A	110
Other Income	520

What shall be the tax liability of Mr. Nekinsaan as per regular provisions of the Income-tax Act, 1961 for A.Y. 2021-22?

- (a) Rs. 260.06 lakhs
 (b) Rs. 253.68 lakhs
 (c) Rs. 256.52 lakhs
 (d) Rs. 253.56 lakhs

(1 Mark)

13. Continuing Q. 12, what shall be tax liability of Mr. Nekinsaan as per regular provisions of the Income-tax Act, 1961 for A.Y. 2021-22, if the Other Income is Rs. 480 lakhs?

- (a) Rs. 218.20 lakhs
 (b) Rs. 221.03 lakhs
 (c) Rs. 218.73 lakhs
 (d) Rs. 242.25 lakhs

(1 Mark)

14. Mr. Bandu, aged 37 years, provides following details for P.Y. 2020-21 as follows:

Particulars	Rs. in lakhs
Textile Business Income	22
Speculative Business Income	(4)

Textile Business Loss b/f from P.Y. 2018-19	(5)
Business income of spouse included in the income of Mr. Bandu as per section 64(1)(iv)	2
Deductions available under Chapter VI-A	3
TDS	1
TCS	0.5
Advance tax paid	1.3

What shall be the net tax payable/(refundable) as per regular provisions of the Income-tax Act, 1961 for A.Y. 2021-22 for Mr. Bandu?

- (a) Rs. 24,200
- (b) Rs. (1,00,600)
- (c) Rs. 2,11,400
- (d) Rs. 12,500

(1 Mark)

15. Mr. Raj, aged 32 years, presents you the following data for A.Y. 2021- 22:

Particulars	Rs. in lakhs
Gross Receipts from Business conducted entirely through banking channels (opted for section 44AD)	70
Capital Gains under section 112A	5
Capital Gains under section 111A	3
Winnings from horse races	1

What would be the tax liability as per the regular provisions of the Income-tax of Mr. Raj for the A.Y.2021-22?

- (a) Rs. 1,28,440
- (b) Rs. 1,05,560
- (c) Rs. 1,38,840
- (d) Rs. 1,45,080

(1 Mark)

16. Mr. A, whose total sales is Rs. 201 lakhs, declares profit of Rs. 10 lakhs for the F.Y. 2020-21. He is liable to pay advance tax -

- (a) in one installment
- (b) in two installments
- (c) in three installments
- (d) in four installments

(1 Mark)

17. Mr. Raj (a non-resident and aged 65 years) is a retired person, earning rental income of Rs. 40,000 per month from a property located in Delhi. He is residing in Canada. Apart from rental income, he does not have any other source of income. Is he liable to pay advance tax in India?

- (a) Yes, he is liable to pay advance tax in India as he is a non- resident and his tax liability in India exceeds Rs. 10,000.
- (b) No, he is not liable to pay advance tax in India as his tax liability in India is less than Rs. 10,000.
- (c) No, he is not liable to pay advance tax in India as he has no income chargeable under the head "Profits and gains of business or profession" and he is of the age of 65 years.
- (d) Both (b) and (c)

(1 Mark)

18. Mr. X, a resident, is due to receive Rs. 4.50 lakhs on 31.3.2021, towards maturity proceeds of LIC policy taken on 1.4.2018, for which the sum assured is Rs. 4 lakhs and the annual premium is Rs. 1,25,000. Mr. Z, a resident, is due to receive Rs. 95,000 on 1.10.2020 towards maturity proceeds of LIC policy taken on 1.10.2012 for which the sum assured is Rs. 90,000 and the annual premium is Rs. 10,000.
- (a) Tax is required to be deducted on income comprised in maturity proceeds payable to Mr. X and Mr. Z
 - (b) Tax is required to be deducted on income comprised in maturity proceeds payable to Mr. X
 - (c) Tax is required to be deducted on income comprised in maturity proceeds payable to Mr. Z
 - (d) No tax is required to be deducted on income comprised in maturity proceeds payable to either Mr. X or Mr. Z
- (1 Mark)**
19. Which of the following statements is true under GST law?
- (a) Grand-parents are never considered as related persons to their grand-son/grand-daughter
 - (b) Grand-parents are always considered as related persons to their grand-son/grand-daughter
 - (c) Grand-parents are considered as related persons to their grand-son/grand-daughter only if they are wholly dependent on their grand-son/grand-daughter
 - (d) Grand-parents are considered as related persons to their grand-son/grand-daughter only if they are not dependent on their grand-son/grand-daughter
- (1 Mark)**
20. Alcoholic liquor for human consumption is subjected to
- (a) State excise duty
 - (b) Central Sales Tax/Value Added Tax
 - (c) Both (a) and (b)
 - (d) GST
- (1 Mark)**
21. Mr. A has a tax invoice [dated 20-1-2020] of services received by him. Its input tax credit is lost, if ITC is not availed on or before–
- (a) 20-1-2021
 - (b) 31-12-2020
 - (c) 20-1-2022
 - (d) Date of filing return of September, 2020 or date of filing of annual return for 2019-20, whichever is earlier.
- (1 Mark)**
22. Input tax credit shall not be available in respect of:
- (i) Goods used for personal consumption
 - (ii) Membership of a club provided by the employer to its employees as per company's internal policy.
 - (iii) Travel benefits extended to employees on vacation such as leave or home travel concession as per company's internal policy.
- (a) (i)
 - (b) (i) and (ii)
 - (c) (ii) and (iii)
 - (d) (i), (ii) and (iii)
- (1 Mark)**

23. Which of the following is not considered as 'goods' under the CGST Act, 2017?

- (i) Ten-paisa coin having sale value of Rs. 100.
- (ii) Shares of unlisted company
- (iii) Lottery tickets
- (a) (i)
- (b) (ii)
- (c) (ii) and (iii)
- (d) (i), (ii) and (iii)

(1 Mark)

24. Mr Ram, a jeweller registered under GST in Mumbai, wants to sell his jewellery in a Trade Expo held in Delhi. Which of the following statements is false in his case?

- (a) He needs to get registration in Delhi as casual taxable person.
- (b) He needs to pay advance tax on estimated tax liability.
- (c) He needs to mandatorily have a place of business in Delhi.
- (d) He needs to file GSTR-1 and GSTR-3B for Delhi GSTIN for the month when he is registered in Delhi.

(1 Mark)

25. Which of the following is treated as exempt supply under the CGST Act, 2017?

- (i) Sale of liquor
- (ii) Supply of health care services
- (iii) transmission of electricity by an electricity transmission utility
- (a) (i)
- (b) (ii)
- (c) (ii) and (iii)
- (d) (i), (ii) and (iii)

(1 Mark)

26. Which of the following is a recognised system of medicine for the purpose of exemption for health care services?

- (i) Allopathy
- (ii) Unani
- (iii) Siddha
- (a) (i)
- (b) (ii)
- (c) (ii) and (iii)
- (d) (i), (ii) and (iii)

(1 Mark)

27. Which of the following services is exempt under health care services provided by clinical establishments?

- (a) Chemist shop in the hospital selling medicines to public at large
- (b) Food supplied from an outsourced canteen to in-patients as per diet prescribed by the hospital dietitian
- (c) Food supplied from an outsourced canteen in the hospital to the visitors or attendants of the patients.
- (d) Advertisement services provided by the hospital to a pharmaceutical company for their asthma pump by displaying it prominently in the hospital building

(1 Mark)

28. In case of supply of goods for Rs. 5,00,000, following information is provided-
 Advance received on 1st April
 Invoice issued on 15th April
 Goods removed on 25th April
 What is the time of supply of goods, where tax is payable under forward charge?
 (a) 1st April
 (b) 15th April
 (c) 25th April
 (d) 30th April
(1 Mark)
29. Sham Ltd. is receiving legal services from a lawyer Mr. Gyan. The aggregate turnover of Sham Ltd. In the preceding financial year is Rs. 40 lakhs. The information regarding date of payment, invoice etc. is as follows-
 Invoice issued by Mr. Gyan on 15th April
 Payment received by Mr. Gyan on 5th May
 Date of payment entered in books of accounts of Sham: 1st May
 What is time of supply of services?
 (a) 1st May
 (b) 5th May
 (c) 14th June
 (d) 15th April
(1 Mark)
30. Which of the following is not eligible for opting composition scheme under sub-sections (1) and (2) of section 10 of the CGST Act, 2017?
 (a) M/s ABC, a firm selling garments in Ahmedabad having annual turnover of Rs. 78 lakh
 (b) A startup company operating restaurant in Delhi having annual turnover of Rs. 98 lakh.
 (c) A courier service company operating solely in Mumbai having annual turnover of Rs. 90 lakh.
 (d) A trader selling grocery items in Orissa having an annual turnover of Rs. 95 lakh.
(1 Mark)

SECTION – A

PART – II - DESCRIPTIVE QUESTIONS

QUESTIONS NO. 1 IS COMPULSORY

ATTEMPT ANY TWO QUESTIONS THE REMAINING THREE QUESTIONS

TOTAL MARKS: 42 MARKS

Question 1:

Ms. Geeta, a resident individual, provides following details of her income / losses for the year ended 31.03.2021 :

	Particulars	Amount (Rs.)
(i)	Income from salary (computed)	41,20,000
(ii)	Rent received from house property situated in Delhi	5,00,000
(iii)	Interest on loan taken for purchase of above property. Loan was taken from a friend	7,50,000
(iv)	Rent received from house property situated in Jaipur	3,20,000
(v)	Interest on loan taken for house property in Mumbai which is	1,57,000

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	self-occupied. Loan was taken from PNB on 01.01.1999 for purchase of this property	
(vi)	Interest on loan taken for repair of house properties situated in Mumbai and Delhi. Loan was taken on 01.04.2018 and was utilized in 50:50 ratio for house properties situated in Mumbai and Delhi, respectively	1,50,000
(vii)	Long term capital gains on sale of equity shares computed in accordance with Section 112A	8,95,000
(viii)	Interest on fixed deposit	73,000
(ix)	Loss from textile business	7,50,000
(x)	Speculation profit	2,30,000
(xi)	Lottery income	75,000
(xii)	Loss incurred by the firm in which she is a partner	1,60,000
(xiii)	Salary received as a partner from partnership firm. The same was allowed to firm	50,000
(xiv)	Brought forward short-term capital loss on sale of gold	2,75,000
(xv)	Brought forward loss on sale of equity shares of the nature specified u/s 111A	25,000
(xvi)	Life insurance premium paid for her son who is 30 years of age and is working in USA	15,000

Compute total income of Ms. Geeta for the assessment year 2021-22 and the amount of loss that can be carried forward.

For the above solution, you may assume principal repayment of loan as under:

- (i) Loan taken for purchase of house property in Delhi – Rs. 2,50,000
- (ii) Loan taken for purchase of house property in Mumbai – Rs. 50,000
- (iii) Loan taken for repair of house properties in Delhi and Mumbai – Rs. 75,000

Working notes should form part of your answer. Wherever necessary, suitable assumption may be made by the candidates and disclosed by way of note.

(14 Marks)

Question 2:

- (a)** Mr. Madhav made a gift of Rs. 2,50,000 to his handicapped son, Master Tapan who was aged 12 years as on 31st March 2018, which he deposited in a fixed deposit account in a Nationalised bank at 10% interest p.a. Compounded annually. The balance in this account as on 1st April, 2019 was Rs. 2,75,000 and the bank credited a sum of Rs. 27,500 as interest on 31st March, 2020.

Madhav's father gifted equity shares worth Rs. 50,000 of an Indian company (unlisted) to Master Manan another son of Mr. Madhav (Date of birth 10th April, 2011) in July 2011 which were purchased by him on 8th December, 2004 for Rs. 80,000. Manan received a dividend of Rs. 5,000 on these shares in October 2019. He sold these shares on 1st November, 2020 for Rs. 5,00,000 and deposited Rs. 3,00,000 in a company at 15% interest per annum.

Cost Inflation Index : Financial Year 2004-05 = 113, 2010-11 = 167 and 2020-21 = 301.

Mr. Madhav has a taxable income of Rs. 3,50,000 from his profession during the financial year 2020- 21.

Compute his Gross Total Income for the A.Y. 2021-22.

(7 Marks)

- (b)** Mr. Shyam, a private sector employee, furnishes you the following information for the previous year 2020-21. Compute his total income.

		(Amount in Rs.)
(1)	Basic Salary	4,00,000
(2)	Dearness Allowance	2,00,000
(3)	Servant Allowance	15,000
(4)	He has made the following payments in the previous year :	
	(a) Contribution towards Pension Fund of LIC	1,10,000
	(b) Life insurance premium (Policy taken on 01.04.2015 – capital sum assured Rs. 2,50,000)	30,000
	(c) Contribution to Pension Scheme of the Central Government (12% of Basic and DA). The employer also made an equal contribution	72,000
	(d) Medical insurance premium paid by cheque on life of dependent father (being a senior citizen) Rs. 47,000 and Rs. 25,000 on himself. Further, Rs. 5,000 paid in cash for preventive health check up of his father.	
	(e) Medical treatment of his dependent mother (resident individual of age 63 years) suffering from prescribed disease and disability (sum received from insurer Rs. 10,000 and sum reimbursed by employer Rs. 20,000)	1,50,000
	(f) Payment to Public Provident Fund	75,000

(7 Marks)

Question 3:

(a) Mrs. Rani a resident aged 50 years is running an acupuncture clinic. Her Income and Expenditure Account and other relevant information for the year ending 31 March, 2021 are given below :

Expenditure	Amount (Rs.)	Income	Amount (Rs.)
To Staff Salary	52,40,000	By Fees receipts	60,00,000
To Clinic rent	1,20,000	By Dividend from Indian Companies	10,500
To Medicines and needles	1,05,000	By Winning from Lotteries net of TDS (TDS Rs. 6,000)	14,000
To Depreciation	81,000	By Income-tax Refund	1,750
To Administrative expenses	1,52,000		
To Donation to Prime Minister's National Relief Fund	20,000		
To Excess of Income over Expenditure	3,08,250		
	60,26,250		60,26,250

- (i) Depreciation in respect of all assets has been ascertained at Rs. 60,000 as per Income-tax rules.
 - (ii) Medicines & Needles of Rs. 22,000 have been used for her family.
 - (iii) Fees Receipts include Rs. 24,000 being honorarium for valuing acupuncture examination answer books.
 - (iv) She has also received Rs. 57,860 on maturity of one LIC Policy, not included in the above Income and Expenditure Account.
 - (v) She has paid an LIC premium of Rs. 12,000 for self (Sum Assured Rs. 50,000).
 - (vi) She has paid Rs. 2,500 for purchase of lottery tickets.
- Compute the total Income and tax payable thereon of Mrs. Rani for the A.Y. 2021-22.

(8 Marks)

- (b) Discuss the liability for tax deduction at source in the following cases –
- (1) Mr. Anand has been running a sold proprietary business whose accounts are audited under section 44AB of Income-tax Act, 1961. He pays monthly rent of Rs. 15,000 for the office premises to Mr. R, an individual who himself has taken the same of rent. Besides, Anand also pays service charges of Rs. 10,000 per month to Mr. R towards the use of furniture, fixtures and vacant land appurtenant thereto.
 - (2) By virtue of an agreement with Nationalised Bank, a Catering Organisation [Pvt. Ltd. Co.] receives Rs. 50,000 p.m. towards supply of food, water, snacks, etc. during office hours to the employees of bank.

(6 Marks)

Question 4:

- (a) Compute total income of Mr. X from the following if all the contributions and payments have been made through account payee cheque-

		(Rs.)
(a)	Salary (computed)	5,50,000
(b)	Short term capital gains u/s 111A	45,000
(c)	Contribution to PPF	5,000
(d)	Contribution to Swachh Bharat Kosh	7,500
(e)	Contribution to Clean Ganga Fund	2,500
(f)	Contribution to National Fund for control of drug abuse	5,000
(g)	Contribution to National Children Fund	20,000
(h)	Contribution to Prime Minister's Drought Relief Fund	10,000
(i)	Donation to trust for benefit of particular religious community	7,500
(j)	Payment to State Government for family planning	30,000
(k)	Food packets given to approved charitable institution for distribution to poor	25,000
(l)	Payment to approved charitable institution	25,000

(6 Marks)

- (b) State whether quoting of PAN in the following transactions is mandatory or not, as per the provisions of Income-tax Act, 1961 for A.Y. 2021-22:
- (i) Mr. A makes cash payment to a hotel Radisson Blue, Ahmedabad of Rs. 50,000 against the bill raised by the hotel.
 - (ii) Mr. Abhishek, in a single transactions, makes contract of Rs. 1,20,000 for sale / purchase of securities (other than shares) as defined in Section 2(h) of the Securities Contracts (Regulation) Act, 1956.
 - (iii) Payment to Mutual Funds of Rs. 70,000 for purchase of its units. Your answers must be supported with reasons.

(3 Marks)

- (c) Mr. P is a resident individual and furnishes you the following particulars of his income and other details for previous year 2020-21 (amounts in Rs.):

Income from salary (Computed)	18,000
Net annual value taxable under the income from house property	70,000
Income from business	80,000
Income from speculation business	12,000
LTCCG on sale of land	15,800
Loss on the maintenance of race horse	9,000
Loss on the gambling	8,000

Depreciation allowable under the Act comes out to Rs. 8,000 for which no treatment has been given above. The other details of unabsorbed depreciation and brought forward losses are:

Unabsorbed depreciation	9,000
Loss from speculation business	16,000
Short term capital loss	7,800
Unrealized rent	17,000

Compute the gross total income of Mr. P and the amount of loss that can or can't be carried forward.

(5 Marks)

SECTION – B - DESCRIPTIVE QUESTIONS

QUESTION NO. 5 IS COMPULSORY

ATTEMPT ANY TWO QUESTIONS OUT OF REMAINING THREE QUESTIONS.

TOTAL MARKS: 28 MARKS

Question 5:

What are the benefits which the Country will accrue from GST?

(8 Marks)

Question 6:

(a) State with reason, person liable to pay GST in each of following independent cases. Assume recipient is located in taxable territory.

- (1) Rental income received by Tamil Nadu State Government from renting an immovable property to Mannappa Pvt. Ltd. (Turnover of the company was lakhs in the preceding F.Y.)
- (2) Legal Fees received by Mr. Sushrut, a senior advocate, from M/s. Tatva Trading Company having turnover of 50 lakhs in preceding F.Y.
- (3) XYZ & Co., a partnership firm provides security services to ABC Ltd. registered under GST.

(4 Marks)

(b) Multiservice Private Ltd., registered in Punjab, is engaged in supplying a variety of services. Its turnover was 35 lakh in the preceding financial year. It has provided the following information for the month of April:

Particulars	Rs.
Fee for the coaching provided to students for competitive exams. The coaching centre is run by Multiservice Private Ltd. in Punjab (Intra-State transaction)	6,24,000
Receipts for services provided in relation to conduct of examination in Pureit University, Delhi (providing education recognized by Indian law), being an inter-State transaction	19,200
Amount received for transportation of students and faculty from their residence to Lotus Public School - a higher secondary school - and back (Intra-State transaction)	24,000
Amount received for providing the security and housekeeping services in Dhaani Public School - a pre- school (Intra-State transaction)	36,000

Note: Rates of CGST, SGST and IGST are 9%, 9% and 18% respectively. All the amounts given above are exclusive of taxes. Compute the total GST liability of Multiservice Private Ltd. for the month of April.

(6 Marks)

Question 7:

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

Particulars	Gross amount charged (Rs.)
Amount charged for loading, unloading, packing and warehousing of potato chips	25,000
Fees charged for yoga camp conducted by a charitable trust registered u/s 12AA of the Act, 1961 Income-tax	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	6,00,000
Amount charged for service provided by way of right to admission to circus where consideration for the same is Rs. 750 per person.	12,000

(6 Marks)

- (b) LPG is supplied by a pipeline. Monthly payments are made by the recipient as per contract. Every quarter, invoice is issued by the supplier supported by a statement of the goods dispatched and payments made, and the recipient has to pay the differential amount, if any. The details of the various events are :

03-11-2020, 03-12-2020, 01-01-2021	Payments of Rs. 5 lakh made in each
02-01-2021	Statement of accounts issued by supplier, with invoice for the quarter
25-01-2021	Differential payment of Rs. 78,000 received by supplier for the quarter

Determine the time of supply.

(4 Marks)

Question 8:

- (a) From the following information determine the nature of supply and tax liability. XYZ Ltd. a manufacturer of cosmetic products supplied a package consisting of hair oil (GST Rate - 18%), sun screen cream (GST Rate - 28%), shampoo (GST Rate - 28%) and hair comb (GST Rate - 12%). The price per package is 500 (exclusive of taxes). 10,000 packages were supplied by the company to its dealers. Determine the nature of supply and its tax liability.

(4 Marks)

- (b) Mr. X opened a retail shop - 'Aapki Dukan' in Janta Market, Jaipur, Rajasthan on 01 April, 2021. He opted to pay tax under Section 10(1) of the CGST Act, 2017 in the said financial year. The aggregate turnover of the retail shop for the quarter ending 30th June, 2021 was 40 lakh. Further, for the half year ending 30th September, 2021, the turnover reached 85 lakh. Aapki Dukan recorded a rapid growth and the turnover reached 150 lakh by the end of December, 2021 and 165 lakh by the end of January 2022. Determine the total tax liability of Aapki Dukan. Mr. X has duly complied with the provisions of GST laws. Normal rate of tax in respect of goods sold in shop is 12%.

(6 Marks)

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