

DATE: 22.02.2023**(GI-8, FMT)****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 2023-24, 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, 2022.

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. Advance tax is payable by:
 - (a) a company assessee only
 - (b) an assessee other than individual or HUF
 - (c) an assessee other than an individual who is a senior citizen and does not have income under the head PGBP
 - (d) all assessees

2. R has won a State Government Lottery of Rs. 1,00,000 on 11.10.2022. The State Government should deduct tax on such winning amounting to:
 - (a) Rs. 30,000
 - (b) Rs. 33,000
 - (c) Rs. 34,320
 - (d) Rs. 31,200

3. No tax is to deducted at source if the amount credited/paid during the previous year as fee for profession or technical services does not exceed:
 - (a) Rs. 20,000
 - (b) Rs. 30,000
 - (c) Rs. 50,000
 - (d) Rs. 1,00,000

4. The last date of filing the return of Income u/s 139(1) for assessment year 2023-24 in case of non-corporate business assessee whose accounts are not liable to be audited shall be:
 - (a) 31st July of the assessment year
 - (b) 30th June of the assessment year
 - (c) 30th September of the assessment year
 - (d) 31st October of the assessment year

5. R Ltd., is registered in U.K. The place of its effective management in the previous year is in India,. R Ltd., shall be:
 - (a) resident in India
 - (b) non-resident in India
 - (c) not ordinarily resident in India
 - (d) resident and ordinarily resident in India

6. The provisions of AMT under Chapter XII-BA shall not apply to
 - (a) an individual or a Hindu undivided family if the adjusted total income of such person does not exceed Rs. 20,00,000
 - (b) an association of persons or a body of individuals (whether incorporated or not) if the adjusted total income of such person does not exceed Rs. 20,00,000
 - (c) an artificial juridical person referred to in section 2(31)(vii) if the adjusted total income of such person does not exceed Rs. 20,00,000
 - (d) all the above

7. The partial integration of agricultural income with non agricultural income is done in case of:
- all assessee
 - any assessee other than who is liable to be taxed at flat rate of income tax
 - individual or HUF only
 - individual HUF, AOP or BOI & artificial judicial person
8. Salary, bonus, commission or remuneration due to or received by a working partner from the firm is taxable under the head.
- Income from salaries
 - Income from other sources
 - Business & Profession
 - Any of the above
9. Where an assessee has not exercised option u/s 115BAC, for claiming deduction u/s 80C in respect of P.P.F., the contribution must be paid by the individual in the P.P.F. account of:
- himself only
 - himself and spouse
 - himself, spouse or any child
 - himself and any dependent relative
10. Where an assessee has not exercised option u/s 115BAC, for the purpose of section 80D, the family in relation to an individual shall mean-
- the spouse and the dependent children
 - the dependent spouse and the dependent children
 - the spouse and the children
 - the spouse, children, brothers and sisters of the individual
11. Loss from derivative trading in shares carried on in a recognised stock exchange is:
- a loss from speculative business
 - a loss from non speculative business
 - a capital gain
 - none of the above
12. As per section 64(1A) income accruing to a minor shall be clubbed in the income of:
- father
 - mother
 - father or mother at their option
 - a parent whose income before this clubbing is greater
13. The lottery, crossword puzzle, races, card games incomes, etc. are taxable at:
- normal slab rate of income tax like any other income
 - flat rate of 20% plus health and education cess @ 4%
 - flat rate of 30% plus surcharge if applicable plus health and education cess @ 4%
 - flat rate of 30% plus surcharge if applicable plus health and education cess @ 4% after the initial exemption of Rs. 25,00,000

14. The cost of acquisition of the right shares to a person who purchased the right to acquire the share from the existing shareholder shall be:
 - (a) market value of right share on the date of allotment
 - (b) price at which these shares are offered
 - (c) price at which these shares are offered plus the amount paid to the person renouncing the right
 - (d) none of the above

15. Exemption under section 54EC shall be available for transfer of:
 - (a) any long-term capital asset
 - (b) residential house property
 - (c) any long-term capital asset other than residential house property
 - (d) any long-term capital asset being land or building or both

16. Unrealized rent is a deduction from:
 - (a) gross annual value
 - (b) net annual value
 - (c) income from the head house property
 - (d) None of the above

17. Expenditure incurred on family planning amongst the employees is allowed to
 - (a) any assessee
 - (b) a company assessee
 - (c) an assessee which is a company or Cooperative Society
 - (d) an individual or HUF

18. Family pension received by the legal heir of a army personnel who died during operational duties shall be
 - (a) fully exempt
 - (b) taxable
 - (c) exempt upto Rs. 2,00,000
 - (d) none of the above

19. Every tax payer paying tax under composition scheme shall file the return in
 - (a) Form GSTR 3 by 18th of the month succeeding the quarter
 - (b) Form GSTR 4 by 30th April following the end of such financial year
 - (c) Form GSTR 4 by 18th of the succeeding month
 - (d) Form GSTR 4 by 20th of the month succeeding the quarter

20. The input tax credit as self-assessed in the return of a registered person shall be credited to
 - (a) Electronic cash ledger
 - (b) Electronic credit ledger
 - (c) Electronic liability register
 - (d) None of the above

21. E-way bill should be generated where there is a movement of goods of value more than:
 - (a) Rs. 25,000
 - (b) Rs. 50,000
 - (c) Rs. 75,000
 - (d) Rs. 1,00,000

22. Banking company or Financial Institution have an option of claiming;
- (a) 50% eligible credit or 50% credit not eligible
 - (b) only 50% credit
 - (c) only eligible credit
 - (d) eligible credit and 50% credit
23. Which of the following shall be excluded in the value of supply?
- (a) any discount which is given before or at the time of the supply if such discount has been duly recorded in the invoice issued in respect of such supply
 - (b) any discount which is given after the supply has been effected
 - (c) any discount which is given after the supply has been effected provided input tax credit as is attributable to the discount on the basis of document issued by the supplier has been reversed by the recipient of the supply
 - (d) discount as per (a) and (c) above
24. What is the time of supply of services where the supplier is liable to pay tax under forward charge and the invoice is issued within prescribed period under section 31(2)
- (a) date of provision of service
 - (b) date of issue of invoice
 - (c) date of receipt of payment
 - (d) date of issue of invoice or date of receipt of payment whichever is earlier
25. Which of the following statement is true for a composition tax payer?
- (a) He can avail ITC on capital goods but not on inputs
 - (b) He can avail ITC on inputs but not on capital goods
 - (c) ITC is not available on inward supplies
 - (d) ITC is available on inward supplies if tax is mentioned separately in the invoice of such supplies
26. Where restaurant and catering services, personal grooming, fitness, beauty treatment, health service including cosmetic and plastic surgery is provided to the registered person, the place of supply of such service shall be
- (a) the location of such registered person
 - (b) the location of the supplier of services
 - (c) Where services are actually performed
 - (d) any of the above
27. Where passenger transportation service are provided to a registered person, the place of supply of such service shall be
- (a) the location of such registered person
 - (b) the place where the passenger embarks on the conveyance for a continuous journey
 - (c) the place where the passenger disembarks from the conveyance
 - (d) any of the above
28. Which of the following is/are the essential elements of a mixed supply?
- (a) supply is made by a taxable person to a recipient
 - (b) supply consists of two or more individual supplies of goods or services or both or any combination thereof but it is not naturally bundled
 - (c) supply is made for a single price.
 - (d) all the above

29. Services by way of right to admission to circus, dance, or theatrical performance, award function, concert, pageant, musical performance or any sporting event or planetarium shall be exempt if the consideration for admission is not more than
- Rs. 250 per person
 - Rs. 500 per person
 - Rs. 750 per person
 - Rs. 1000 per person
30. Which of the following activities or transactions shall be treated neither as a supply of goods nor a supply of services:
- Sale of land and building
 - Lease of land
 - Rent of building
 - All the above

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:**

Mr. Janak, working as Finance Manager in Thilagam Realty Ltd., Jaipur, retired from the company on 31.10.2022 at the age of 60. The following amounts were received from the employer from 1st April, 2022 to 31st October, 2022:

Basic Salary Rs. 30,000 p.m.

Dearness Allowance Rs. 20,000 p.m. (40% reckoned for superannuation benefits) Ex-gratia (lump sum) Rs. 55,000

In addition to the above-

- The company had taken on lease a residential house at Jaipur, paying a lease rent of Rs. 9,000 p.m. Mr. Janak, who was paying to the company Rs. 6,000 p.m. towards aforesaid rent, vacated the said premises on 31.10.2022.
- The company had also provided to Mr. Janak a cooking range and mico-wave oven owned by it. The original cost of these assets was Rs. 40,000 and the written down value as on 01.04.2022 was Rs. 22,000.
- Mr. Janak has two sons. His second son was studying in a school run by the employer- company throughout the financial year 2022-23. The cost of such education in similar school is Rs. 1,800 p.m.
- Credit card facility : Rs. 30,000
- The employer-company was contributing Rs. 7,000 p.m. to Central Government Pension Scheme. Employee also makes a matching contribution.
- Professional tax paid by the employer Rs. 3,000.
- Subsequent to his retirement, Mr. Janak started his own business on 15.11.2022. The results of the said business from 15.11.2022 to 31.03.2023 were:
 - Business loss (excluding current depreciation) Rs. 60,000
 - Current year's depreciation Rs. 60,000
- Mr. Janak won a prize in a TV game show. He received a sum of Rs. 42,000 after deduction of tax at source to the tune of Rs. 18,000.
- Mr. Janak furnishes the under-mentioned data relating to savings, investments and out- goings:
 - Life insurance premium, with a private insurance company Rs. 20,000 for his son and Rs. 20,000 for his married daughter.

- (b) Medical insurance premium of Rs. 12,000 for himself and Rs. 16,000 for his father (aged 82), paid by credit card. His father is however not dependent on him.

You are required to compute the total income of Mr. Janak (showing clearly the computation under various heads of income) and tax payable by him.

(14 Marks)

Question 2:

- (a) Computation of capital gains on distribution of assets by companies in liquidation: Mr. Raghu purchased 10,000 equity shares of AB Avenues Private Limited on 25.03.2005 for Rs. 1,20,000., The company went into liquidation on 31.07.2022. The following is the summarized financial position of the company as on 31.07.2022.

Liabilities	Rs.	Assets	Rs.
60,000 equity shares of Rs. 10 each	6,00,000	Agricultural lands in urban area	22,00,000
General reserve	40,00,000	Cash at bank	32,22,212
Liability for income	8,22,212		
Total	54,22,212	Total	54,22,212

The assets remaining after discharging liability for income tax were distributed to the shareholders in the proportion of their shareholding. The market value of agricultural land as on 31.07.2022 is Rs. 60,00,000.

The agricultural land received as above was sold by Mr. Raghu on 28.02.2023 for Rs. 15,00,000. Discuss the tax implications in the hand of the company and Mr. Raghu.

The cost inflation indices are F.Y. 2004-05 : 113 and I.Y. 2021-22 : 331.

(8 Marks)

- (b) Ms. XYZ & co. partnership firm started its business on 01.04.2022. During the previous year 2022-23, it appoints the following persons-

Date of appointment	No. of employees	Designation	Emoluments (in Rs. per person)
01.04.2022	4	Accounting Staff	20,000
01.06.2022	15	Technical Staff	25,000
01.07.2022	15	Supervisors	30,000
01.10.2022	25	Helpers	22,000
Total	59		

Determine the amount of deduction available under section 80-JJAA for the assessment year 2023- 24 if turnover of XYZ & Co. for the previous year 2022-23 is Rs. 4 crore and tax audit under section 44AB is applicable.

(6 Marks)

Question 3:

- (a) Computation of Total income, tax liability and advance tax: Balamurugan furnishes the following information for the year ended 31.03.2023 (all amounts in Rs.):

Income from business	(1,35,000)
Income from house property	(15,000)
Lottery winning (Gross)	3,00,000
Speculation business income	1,00,000
Income by way of salary (Computed)	2,60,000
Long term capital gain	70,000

Compute his total income, tax liability and advance tax obligations.

(7 Marks)

- (b) Mr. X sold his house property in Bangalore as well as his rural agricultural land for a consideration of Rs. 60 lakh and Rs. 15 lakh, respectively, to Mr. Y on 01.08.2022. He has purchased the house property and the land in the year 2021 for Rs. 40 lakh and Rs. 10 lakh, respectively. The stamp duty value on the date of transfer, i.e. 01.08.2022, is Rs. 85 lakh and Rs. 20 lakh for the house property and rural agricultural land, respectively. Examine the tax implications in the hands of Mr. X and Mr. Y and the TDS implications, if any, in the hands of Mr. Y, assuming that both Mr. X and Mr. Y are resident Indians.

(7 Marks)

Question 4:

- (a) The following are the incomes of Shri Subhash Chandra, a citizen of India for the previous year 2022-23.
- (i) Income from business in India Rs. 2,00,000. The business is controlled from London and Rs. 60,000 were remitted to London.
 - (ii) Profits from business earned in Japan Rs. 70,000 of which Rs. 20,000 were received in India. This business is controlled from India.
 - (iii) Untaxed income of Rs. 1,30,000 for the year 2018-19 of a business in England which was brought in India on 3rd March, 2023.
 - (iv) Royalty of Rs. 4,00,000 received from Shri Ramesh a resident for technical service provided to run a business outside India.
 - (v) Agricultural income of Rs. 90,000 in Bhutan.
 - (vi) Income of Rs. 73,000 from house property in Dubai, which was deposited in bank at Dubai.

Compute Gross total income of Shri Subhash Chandra for the A.Y. 2023-24, if he is-

- (a) A Resident and Ordinary Resident, and
- (b) A Resident and Not Ordinarily Resident.

(6 Marks)

- (b) Mr. X a retail trader of Cochin gives the following Trading & Profit and Loss A/c for the year ended 31.03.2023 (amount in Rs.):

To Opening Stock	90,000	By Sales	12,11,500
To Purchases	10,04,000	By Income from UTI	2,400
To Gross Profits	3,06,000	By Other Business receipts	6,100
		By Closing Stock	1,80,000
	14,00,000		14,00,000
To Salary	60,000	Gross Profit B/d	3,06,000
To Rent and Rates	36,000		
To Interest on loan	15,000		
To Depreciation	1,05,000		
To Printing and Stationery	13,200		
To Postage and Telegram	1,640		
To Loss on Sale of Shares (short-term)	8,100		
To Other General Expenses	7,060		
To Net Profit	60,000		
	3,06,000		3,06,000

Additional Information:

- (a) It was found, some stocks were omitted to be included in both the Opening and Closing stock, the values of which were : Opening stock – Rs. 9,000, and Closing stock – Rs. 18,000.

- (b) Salary includes Rs. 10,000 paid to his brother, which is unreasonable to the extent of Rs. 2,000.
 - (c) The whole amount of Printing and Stationery was paid in cash.
 - (d) The Depreciation provided in Profit & Loss A/c Rs. 1,05,000 was based on following information :
The WDV of Plant & Machinery is Rs. 4,20,000. A new Plant falling under same Block of depreciation of 15% was bought on 01.07.2022 for Rs. 70,000. Two old plants were sold on 01.10.2022 for Rs. 50,000.
 - (e) Rent and Rates includes Goods and Services Tax liability of Rs. 3,400 paid on 7.4.2022.
 - (f) Other Business receipts include Rs. 2,200 received as refund of Goods and Services Tax relating to 2021-22.
 - (g) Other General Expenses include Rs. 2,000 paid as Donation to a Public Charitable Trust.
 - (h) Sale proceeds are received through account payee cheque.
- Advise Mr. X whether he can offer his business income under section 44AD i.e. presumptive taxation.

(8 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:

A Ltd. a manufacturing concern of Rajasthan having aggregate turnover of 120 lakhs in financial year 2021-22 has opted for composition scheme furnishes you with the following information for Financial Year 2022-23. It requires you to determine its composition tax liability and total tax liability. The break up of supplies are as follows -

	Particulars	Rs.
(1)	Intra State Supplies of Goods X chargeable @ 5% GST	30,00,000
(2)	Intra State Supplies of goods which are chargeable to GST at Nil rate	18,00,000
(3)	Intra state supply of services chargeable with 5% GST	6,00,000
(4)	Interest earned on fixed deposits with banks	8,00,000
(5)	Intra state supplies which are wholly exempt under Section 11 of CGST Act, 2017	2,40,000
(6)	Value of inward supplies on which tax payable under RCM (GST Rate 5%)	5,00,000
(7)	Intra State Supplies of Goods Y chargeable @ 18% GST	30,00,000

Also determine composition tax liability if A Ltd. is a trader.

(8 Marks)

Question 6:

- (a) Determine the Time of supply in each of following independent cases in accordance with provisions of Section 12 of the CGST Act, 2017 in case supply does not involve movement of goods.

Sl. No.	Date of invoice	Date when goods made available to recipient	Date of receipt of payment
1.	02-10-2022	03-10-2022	15-11-2022
2.	04-10-2022	01-10-2022	25-11-2022
3.	04-11-2022	06-11-2022	01-10-2022

(4 Marks)

- (b) Shri Krishna Pvt. Ltd., a registered dealer, furnishes the following information relating to goods sold by it to Shri Balram Pvt. Ltd. in the course of Intra-State.

	Particulars	Amount (Rs.)
(i)	Price of the goods	1,00,000
(ii)	Municipal tax	2,000
(iii)	Inspection charges	15,000
(iv)	Subsidies received from Shri Ram Trust (As the product is going to be used by blind association)	50,000
(v)	Late fees for delayed payment. (Through Shri Balram Pvt. Ltd. Made late payment but these charges are waived by Shri Krishna Pvt. Ltd.)	1,000
(vi)	Shri Balram Pvt. Ltd. Paid to Rahe Pvt. Ltd. (on behalf of Shri Krishna Pvt. Ltd.) weightment charges.	2,000

According to GST Law, determine the value of taxable supply made by Shri Krishna Pvt. Ltd., Items given in Point (ii) to (vi) are not considered while arriving at the price of the goods given in point no. (i).

(6 Marks)

Question 7:

- (a) Determine the amount of Input tax credit admissible to P Ltd. in respect of the following items procured by them in the month of March 2023:

	Inward supplies	GST (Rs.)
(1)	Goods supplied for captive consumption in a factory	9,800
(2)	Goods purchased for being used in repairing the factory shed and same has been capitalized in books	18,000
(3)	Cement used for making foundation and structural support to Plant and Machinery	14,000
(4)	Inputs used in trial runs	14,560
(5)	Food and beverages purchased for the employees during office hours not under statutory obligation	8,400

Note:

- (i) All the conditions necessary for availing the ITC have been fulfilled.
(ii) Registered Person is not eligible for any threshold exemption.

(6 Marks)

- (b) VHP, an entity registered as religious trust u/s 12AA of the Income-tax Act, 1961, has furnished you the following details with respect to the activities undertaken by it. You are required to compute its value of taxable supply from the information given below:

	Particulars	Rs.
(1)	Renting of room where charges are 500 per day	6,00,000
(2)	Renting of room where charges are 1,500 per day	9,00,000
(3)	Renting of community halls where charges are 25,000 per day	10,00,000
(4)	Renting of kalyanmandapam where charges are 5,000 per day	7,50,000
(5)	Renting of shops for business where charges are 15,000 per month	7,50,000
(6)	Renting of shops for business where charges are 5,000 per month	5,50,000

(4 Marks)

Question 8:

(a) ABC Ltd. of Jaipur, Rajasthan has effected intra-State supplies of taxable goods amounting Rs. 38,00,000 till 31-12-2022. On 01-01-2023 it has effected inter-State supply of taxable goods amounting Rs. 1,00,000. ABC Ltd. is of the opinion that it is not required to get registered under GST law since its aggregate turnover is not likely to exceed Rs. 40,00,000 during financial year 2022-23. As a consultant of the company you are required to advise the company relating to registration requirements.

(4 Marks)

(b) What are the contents of bill of supply.

(6 Marks)

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