

(GI-10, GI-11, VI-2(A) & AI-2(A), DI-1+2 & Drive)**DATE: 13.03.2024****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 2024-25, unless otherwise stated. Section-B comprises questions 5-9. In Section-B, answer Question No. 5 which is compulsory and any 3 questions from question No. 6-9.
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, 2024.

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.

Case Scenario

Kishore & Sons is a dealer of coal. Its turnover for the F.Y. 2022-23 was Rs. 12 crores. The State Government of Hyderabad granted a lease of coal mine to Kishore & Sons on 1.5.2023 and charged Rs. 11 crores for the lease. Kishore & Sons sold coal of Rs. 95 lakhs to M/s BAC Co. during the P.Y. 2023-24. M/s XYZ Ltd. purchased coal of Rs. 55 lakhs from Kishore & Sons for trading purpose in July 2023. Turnover of M/s XYZ Ltd. during the P.Y. 2022-23 was Rs. 12 crores. PAN is duly furnished by the buyer and seller to each other. Details of sale to and payments from M/s BAC Co. by Kishore & Sons are as follows:

S.No.	Date of Sale	Date of Receipt/ Payment	Amount (Rs.)
1	29.05.2023	10.05.2023	35,00,000
2	30.06.2023	10.07.2023	25,00,000
3	25.11.2023	25.10.2023	8,00,000
4	20.01.2024	22.01.2024	15,00,000
5	01.03.2024	15.02.2024	12,00,000

Turnover of M/s BAC Co. during the P.Y. 2022-23 was Rs. 11 crores. The above amounts were credited to Kishore & Sons account in the books of M/s BAC Co. on the date of sale. M/s BAC Co. furnishes a declaration to Kishore & Sons that coal is to be utilised for generation of power.

Based on the above facts, choose the most appropriate answer to Q. No. 1 to 5 –

- Who is required to deduct/ collect tax at source in respect of lease of coal mine by the State Government of Hyderabad to Kishore & Sons and at what rate?
 - State Government of Hyderabad is liable to collect tax at source @ 2% on Rs. 11 crores
 - State Government of Hyderabad is liable to collect tax at source @0.1% on Rs. 10.50 crores, being the amount exceeding Rs. 50 lakhs
 - Kishore & Sons is liable to deduct tax at source @0.1% on Rs. 10.50 crores, being the amount exceeding Rs. 50 lakhs
 - Neither State Government of Hyderabad is liable to collect tax at source nor Kishore & Sons is liable to deduct tax at source

(2 Marks)

- Is Kishore & Sons required to collect tax at source in respect of the sale transactions with M/s BAC Co. If yes, when and what is the amount of tax to be collected?
 - Yes; Rs. 1,000 on 30.6.2023, Rs. 800 on 25.10.2023, Rs. 1,500 on 20.1.2024 and Rs. 1,200 on 15.2.2024
 - Yes; Rs. 35,000 on 10.5.2023, Rs. 25,000 on 30.6.2023, Rs. 8,000 on 25.10.2023, Rs. 15,000 on 20.1.2024 and Rs. 12,000 on 15.2.2024
 - Yes; Rs. 1,000 on 10.7.2023, Rs. 800 on 25.10.2023, Rs. 1,500 on 22.1.2024 and Rs. 1,200 on 15.2.2024
 - No, Kishore & Sons is not liable to collect tax at source

(2 Marks)

3. Is Kishore & Sons required to collect tax at source in respect of the sale transaction with M/s XYZ Ltd. If yes, what is the amount of tax to be collected?
- (a) Yes; Rs. 55,000
 - (b) Yes; Rs. 5,500
 - (c) Yes; Rs. 500
 - (d) No, Kishore & Sons is not liable to collect tax at source
- (2 Marks)**
4. Is M/s BAC Co. required to deduct tax at source in respect of the purchase transactions with Kishore & Sons. If yes, when and what is the amount of tax to be deducted?
- (a) Yes; Rs. 1,000 on 30.6.2023, Rs. 800 on 25.10.2023, Rs. 1,500 on 20.1.2024 and Rs. 1,200 on 15.2.2024
 - (b) Yes; Rs. 3,500 on 10.5.2023, Rs. 2,500 on 30.6.2023, Rs. 800 on 25.10.2023, Rs. 1,500 on 20.1.2024 and Rs. 1,200 on 15.2.2024
 - (c) Yes; Rs. 1,000 on 10.7.2023, Rs. 800 on 25.10.2023, Rs. 1,500 on 22.1.2024 and Rs. 1,200 on 15.2.2024
 - (d) No, M/s BAC Co. is not liable to deduct tax at source
- (2 Marks)**
5. Assume for the purpose of this MCQ, M/s BAC Co.'s turnover for the F.Y. 2022-23 was Rs. 9 crore, who will be required to deduct/ collect tax at source in respect of transactions between Kishore & Sons and M/s BAC Co. and at what rate?
- (a) Kishore & Sons is liable to collect tax at source @1% of Rs. 95 lakhs
 - (b) Kishore & Sons is liable to collect tax at source @0.1% of Rs. 45 lakhs, being the sum exceeding Rs. 50 lakhs
 - (c) M/s BAC Co. is liable to deduct tax at source @0.1% of Rs. 45 lakhs, being the sum exceeding Rs. 50 lakhs
 - (d) Neither Kishore & Sons is liable to collect tax at source nor M/s BAC Co. is liable to deduct tax at source
- (2 Marks)**
6. Mr. Virat has a house property in Chennai which he let out to Mr. Sumit. For acquisition of this house, Mr. Virat has taken a loan of Rs. 30,00,000 @10% p.a. on 1-4-2017. He has further taken a loan of Rs. 5 lakhs @12% p.a. on 1.7.2023 towards repairs of the house. He has not repaid any amount of loan so far. The amount of interest deduction u/s 24(b) to Mr. Virat for A.Y. 2024-25 if he opted for the provisions of section 115BAC is -
- (a) Rs. 2,00,000
 - (b) Rs. 2,30,000
 - (c) Rs. 3,45,000
 - (d) Rs. 3,60,000
- (1 Mark)**
7. Mr. Rishabh, aged 69 years and a resident in India, has a total income of Rs. 4,50,00,000, comprising long term capital gain taxable under section 112 of Rs. 85,00,000, long term capital gain taxable under section 112A of Rs. 75,00,000 and other income of Rs. 2,90,00,000. What would be his tax liability for A.Y. 2024-25. Assume that Mr. Rishabh has opted for the provisions of section 115BAC.
- (a) Rs. 1,41,40,750
 - (b) Rs. 1,38,86,990
 - (c) Rs. 1,38,84,390
 - (d) Rs. 1,39,81,240
- (1 Mark)**

8. Mr. A engaged in the retail trading of toys, had acquired a motor vehicle - A for Rs. 4 lakhs on 20.08.2021, put to use on 04.10.2022 and another motor vehicle - B for Rs. 3 lakhs on 19.02.2022, put to use on 03.09.2022. On 01.04.2022, Mr. A took a vehicle loan of Rs. 5 lakhs at 10% p.a. and acquired the motor vehicle - C for Rs. 5 lakhs on 31.05.2022, put to use on 30.06.2022. On 30.07.2023 the same vehicle - C was sold for Rs. 5.50 lakhs and reacquired it back on 28.08.2023 for Rs. 6 lakhs. Assuming the above mentioned assets are the only assets in the block of assets for Mr. A, what would be its total depreciation claim under section 32 for P.Y. 2023-24?
- (a) Rs. 1,66,594
(b) Rs. 1,62,094
(c) Rs. 1,37,438
(d) Rs. 1,60,500

(1 Mark)

9. Mr. Shahid, a wholesale supplier of dyes, provides you with the details of the following cash payments made throughout the year –
- 12.06.2023: loan repayment of Rs. 27,000 taken for business purpose from his friend Kunal. The repayment also includes interest of Rs. 5,000.
 - 19.08.2023 : Portable dye machinery purchased for Rs. 15,000. The payment was made in cash in three weekly instalments.
 - 26.01.2024: Payment of Rs. 10,000 made to electrician due to unforeseen electric circuit at shop.
 - 28.02.2024: Purchases made from unregistered dealer for Rs. 13,500.
- What will be disallowance under 40A(3), if any, if Mr. Shahid opts to declare his income as per the provisions of section 44AD?
- (a) Rs. 18,500
(b) Rs. 28,500
(c) Rs. 13,500
(d) Nil

(1 Mark)

10. Mr. A, an eligible assessee, following mercantile system of accounting, carrying on eligible business u/s 44AD provides the following details:
- ♦ Total turnover for the F.Y. 2023-24 is Rs. 130 lakh
 - ♦ Out of the above:
 - Rs. 25 lakh received by A/c payee cheque during the F.Y. 2023-24;
 - Rs. 50 lakh received by cash during the F.Y. 2023-24;
 - Rs. 25 lakh received by A/c payee bank draft before the due date of filing of return;
 - Rs. 30 lakh not received till due date of filing of return.
- What shall be the amount of deemed profits of Mr. A under section 44AD(1) for A.Y. 2024-25?
- (a) Rs. 10.4 lakh
(b) Rs. 7.0 lakh
(c) Rs. 5.5 lakh
(d) Rs. 9.4 lakh

(1 Mark)

Case Scenario

Manavtaa Trust is a charitable trust registered under section 12AB of the Income-tax Act, 1961. The trust is well known for its educational, charitable and religious activities. The trust became liable to registration under GST in the current financial year since it exceeded

the threshold limit for registration and thus, got itself registered in the State of Gujarat in the month of May.

In the month of June, a multinational company, Dhruvtara Ltd., gifted 500 laptops worth Rs. 50 lakh to the trust free of cost for the charitable purposes, without any intention of seeking any business promotion from the same. Manavtaa Trust distributed these laptops for free in the same month to the needy students for facilitating them in their higher studies.

Manavtaa Trust owns a higher secondary school – Manavtaa Higher Secondary School - in Gujarat. In the month of July, the trust availed security personnel services from 'Perfect Security Solutions', Gujarat, a proprietorship concern, for security of the school premises for a consideration of Rs. 2,00,000. It also received legal consultancy services from 'Maya & Co.' a firm of advocates for the issues relating to the said school for Rs. 1,20,000, in the same month.

Manavtaa Trust furnished the following information regarding the expenses incurred by it in the month of August; all transactions being inter-State:

- (i) Services received and used for supplying taxable outward supplies – Rs. 3,50,000.
- (ii) Catering services received for students of Manavtaa Higher Secondary School – Rs. 2,00,000.
- (iii) Buses purchased with seating capacity of 25 persons including driver – Rs. 10,50,000 (Buses were delivered in the first week of September).

Manavtaa Trust provided the following information in respect of the services provided by it during the month of August:

- (i) It runs an old age home for senior citizens. Nominal monthly charges of Rs. 15,000 for boarding, lodging and maintenance are charged from each member. Total number of members is 20.
- (ii) It rents out a community hall situated within the precincts of a temple managed by it on 15th August for a religious function in first half for Rs. 5,000 and for an art exhibition in second half for Rs. 6,000.
- (iii) It rents out the rooms in the precincts of said temple to the devotees for a rent of Rs. 950 per room per day. Total rent collected in August amounts to Rs. 35,000.

All the figures given above are exclusive of taxes wherever applicable. Aggregate turnover of Manavtaa Trust for the preceding financial year was Rs. 15 lakh. All the conditions necessary for availment of ITC are fulfilled subject to the information given. Manavtaa Trust intends to avail exemption from GST wherever applicable.

Based on the information given above, choose the most appropriate answer to the following questions 11 to 15.

11. Which of the following activities of Manavtaa Trust does not amount to supply under the GST law?
- (a) Free laptops distributed to the needy students
 - (b) Boarding, lodging and maintenance of the senior citizens by the old age home run by the trust
 - (c) Renting of community hall situated within the precincts of the temple managed by the trust
 - (d) Renting of rooms in the precincts of the temple managed by the trust

(1 Mark)

12. Compute the value of inward supplies on which tax is payable by Manavtaa Trust under reverse charge, for the month of July.

- (a) Rs. 2,00,000
- (b) Rs. 3,20,000
- (c) Rs. 1,20,000
- (d) Nil

(1 Mark)

13. Compute the value of exempt supply made by Manavtaa Trust for the month of August.
- (a) Rs. 3,00,000
 - (b) Nil
 - (c) Rs. 3,35,000
 - (d) Rs. 35,000
- (1 Mark)**
14. Compute the value of taxable supply made by Manavtaa Trust for the month of August.
- (a) Rs. 3,00,000
 - (b) Rs. 11,000
 - (c) Nil
 - (d) Rs. 35,000
- (1 Mark)**
15. Determine the amount of ITC that can be credited to the Electronic Credit Ledger of Manavtaa Trust, in the month of August assuming rate of GST to be 18%.
- (a) Rs. 36,000
 - (b) Rs. 63,000
 - (c) Rs. 1,89,000
 - (d) Rs. 2,88,000
- (1 Mark)**
16. Invoice shall be prepared in _____ in case of taxable supply of goods and in _____ in case of taxable supply of services.
- (a) Triplicate, Duplicate
 - (b) Duplicate, Triplicate
 - (c) Duplicate, Duplicate
 - (d) Triplicate, Triplicate
- (1 Mark)**
17. Which of the following shall be discharged first, while discharging liability of a taxable person?
- (a) All dues related to previous tax period
 - (b) All dues related to current tax period
 - (c) Demand raised under section 73 and 74
 - (d) No such condition is mandatory.
- (1 Mark)**
18. Assuming that all the activities given below are undertaken for a consideration, state which of the following is not a supply of service?
- (a) Renting of commercial office complex
 - (b) An employee agreeing to not work for the competitor organization after leaving the current employment
 - (c) Repairing of mobile phone
 - (d) Provision of services by an employee to the employer in the course of employment
- (1 Mark)**

19. 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)**
20. Which of the following is treated as exempt supply under the CGST Act, 2017?
- (i) Sale of liquor
 - (ii) Supply of health care services by a hospital
 - (iii) Transmission of electricity by an electricity transmission utility
- (a) (i)
(b) (ii)
(c) (ii) and (iii)
(d) (i), (ii) and (iii)
- (1 Mark)**
21. 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 by canteen run by the Hospital to in-patients as per diet prescribed by the hospital's dietician
 - (c) Food supplied to the visitors or attendants of the patients in the hospital by canteen run by the Hospital.
 - (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)**
22. Which of the following services are exempt from GST?
- (a) Services by an artist by way of a performance in classical art forms of painting/sculpture making etc. with consideration thereof not exceeding Rs. 1.5 lakh.
 - (b) Services by an artist by way of a performance in modern art forms of music/dance/ theatre with consideration thereof not exceeding Rs. 1.5 lakh.
 - (c) Services by an artist by way of a performance in folk or classical art forms of music/ dance/theatre with consideration thereof exceeding Rs. 1.5 lakh.
 - (d) Services by an artist by way of a performance in folk or classical art forms of music/ dance / theatre with consideration thereof not exceeding Rs. 1.5 lakh.
- (1 Mark)**
23. Services by way of admission to _____ is not exempt from GST.
- (a) Museum
 - (b) National park
 - (c) Tiger reserve
 - (d) Recognised sporting event where the admission ticket costs Rs. 600 per person.
- (1 Mark)**

24. Can a registered person under composition scheme collect GST on his outward supplies from recipients?
 (a) Yes, in all cases
 (b) Yes, only on such goods as may be notified by the Central Government
 (c) Yes, only on such services as may be notified by the Central Government
 (d) No
(1 Mark)
25. For banking companies using inputs and input services partly for taxable supplies and partly for exempt supplies, which of the following 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 services 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) ITC shall be compulsorily restricted to credit attributable to taxable supplies excluding zero rated supplies.
(1 Mark)

SECTION – A

PART – II - DESCRIPTIVE QUESTIONS

QUESTIONS NO. 1 IS COMPULSORY

ATTEMPT ANY TWO QUESTIONS THE REMAINING THREE QUESTIONS

TOTAL MARKS: 35 MARKS

Question 1:

Dr. Sanjay, 82 years old resident surgeon, having his Nursing Home in Mumbai, gives the following particulars for the year ended on 31-03-2024.

Receipts		Rs.	Payments		Rs.
Opening Balance b/d		1,25,000	Salary to Staff		3,50,000
Fees from visits to other hospitals (net)		5,85,000	Taxes & Insurance		26,000
Fees for March, 2023 received in April, 2023			Entertainment Expenses		1,10,000
IPD	40,000		Purchase of Television		48,000
OPD	45,000	85,000	Gift to daughter-in law		60,000
Dividend from shares (net)		18,900	Interest on loan for repairs to property		65,000
Fees received during the year		10,25,000	Personal medical expenses		70,000
Gifts received from relatives of patients		45,000	Deposits in PPF A/c		55,000
Honorarium for painting services in Jai Hind Art School (net)		22,500	Nursing Home expenses		3,75,000
Income-tax Refund (Including interest Rs. 1,500)		12,100	Prof. fees paid for consulting services		1,20,000
			Purchase of furniture at home		1,35,000
			Personal Expenses		3,00,000
			Balance c/f		2,04,500
		19,18,500			19,18,500

Other Information:

- (a) He keeps his books of accounts on cash basis and has not opted for the provisions of section 44ADA.
- (b) Salary includes ₹ 60,000 paid to his sister who is a qualified nurse paid in cash.
- (c) Entertainment expenses include ₹ 25,000 for dinner to doctors in a five star hotel.
- (d) Interest on loan for repairs to property includes ₹ 40,000 for his residential property.
- (e) His daughter in law earned income of ₹ 10,000 from the amount received as gift.
- (f) Fixed Assets values as on 01-04-2023 are as under :
 - (i) Nursing Home Equipment's ₹ 2,20,000, Medical Books (incl. annual publications ₹ 10,000) ₹ 35,000, Laptop ₹ 40,000 .
 - (ii) Television purchase for nursing home purpose on 21-09-2023 is put to use on 03-10-2023.
- (g) He has donated ₹ 10,000 towards PM CARES Fund on 15-08-2023.

You are required to –

- (a) Compute the total income and tax payable by him for AY 2024-25 as per the regular provisions of the Income-tax Act, 1961 if he has exercised the option of shifting out of the default tax regime provided u/s 115BAC(1A).
- (b) What will be his total income and tax payable, if he opts for the provisions of section 44ADA? Will it be more beneficial for him to adopt 44DA?

(11 Marks)**Question 2:**

- (a) Ms. Jiya, aged 61 years, has total income of ₹ 7,50,000, including income from profession, for A.Y. 2024-25, and has paid advance tax of ₹ 10,000 on 13-12-2023. She has filed her return of income on 15-06-2024. Calculate the self-assessment tax payable and the interest thereon u/s 234A, 234B and 234C, if any, by Ms. Jiya if she has exercised the option of shifting out of the default tax regime provided u/s 115BAC(1A).

(4 Marks)

- (b) Examine the following transactions with reference to applicability of the provision of tax collected at source and the rate and amount of the TCS for the Assessment year 2024-25.
 - (i) Mr. Kalu bought an overseas tour programme package for Singapore for himself and his family of Rs. 5 lakhs on 01-11-2023 from an agent who is engaged in organising foreign tours in course of his business. He made the payment by an account payee cheque and provided the permanent account number to the seller. Assuming Kalu is not liable to deduct tax at source under any other provisions of the Act.
 - (ii) Mr. Anu doing business of textile as a proprietor. His turnover in the business is Rs. 11 crores in the previous year 2022-23. He received payment against sale of textile goods from Mr. Ram of Rs. 75 lakhs against the sales made to him in the previous year and preceding previous years. (Assuming all the sales are domestic sales and Mr. Ram is neither liable to deduct tax on the purchase from Mr. Anu nor he deducted any tax at source).

(4 Marks)

- (c) Mr. Chirayu who is 50 years old and his wife Mrs. Chirayu who in 48 years old furnish the following information (all the amount of incomes/gains/losses are computed as per the provisions of Income-tax Act):
 - (i) Mr. Chirayu's salary income - ₹ 11,00,000
 - (ii) Mrs. Chirayu's income from Kathak performances - ₹ 2,50,000. She is a professional Kathak dancer and pursue dancing as her profession.

- (iii) Mrs. Chirayu earned long-term capital gains of ₹ 5,50,000 from sale of shares.
- (iv) Mrs. Chirayu gifted ₹ 2,00,000 to Mr. Chirayu out of her Stridhan on 1-4-2023, Mr. Chirayu invested the entire amount in stock market but suffered a short-term capital loss of ₹ 5,10,000
- (v) Miss Naina, their minor daughter, earned ₹ 3,56,000 by performing in various quiz competitions held online during the year 2023-24. She kept that amount in savings bank account and earned interest of ₹ 15,000 during the year 2023-24.
- (vi) Master Rohan, their minor son earned ₹ 35,000 from fixed deposit which was made out of the cash he received on his birthday from his friends and family. Rohan suffers from disability as mentioned under section 80U. The medical certificate shows a disability of upto 75%.

Compute the total income in the hands of Mr. and Mrs. Chirayu and their minor children for the A.Y. 2024-25 if they have exercised the option of shifting out of the default tax regime provided u/s 115BAC(1A).

(4 Marks)

Question 3:

- (a) Mrs. Prema, an Indian Citizen, is a government employee working for the Indian Government. She submits the following information for the previous year ending 31.03.2024:

		Rs.
1	Salary income received in Malaysia for services rendered there	2,00,000
2	Profit from business carried on in Orissa	80,000
3	Loss from business carried on in Baroda	(20,000)
4	Profit from business carried on in Paris (income is earned and received in Sydney and business is controlled from Paris)	42,000
5	Loss from business carried on in Canada (though profits are not received in India, business is controlled from Dehradun)	(46,000)
6	Unabsorbed depreciation of business in Canada	16,000
7	Profit from Indonesia business (controlled from Delhi) and 60% of profit deposited in a bank in Indonesia and 40% received in India	70,000
8	Rent from house property situated in Canada and received in Canada	1,92,000

Determine the gross total income of Prema for the A.Y. 2024-25 ignoring the provisions of section 115BAC on the assumption that she is:

- (1) Resident but not ordinarily resident in India
(2) Non-resident in India.

(4 Marks)

- (b) Mr. Nirbhaya owns a residential house property whose Municipal Value, Fair Rent and Standard Rent are Rs. 1,60,000, Rs. 1,70,000 and Rs. 1,90,000, respectively. The house has two independent units. Unit I (25% of floor area) is utilized for the purpose of his profession and Unit II (75% of floor area) is let out for residential purposes at a monthly rent of Rs. 8,500. Municipal taxes @8% of the Municipal Value were paid during the year by Mr. Nirbhaya. He made the following payments in respect of the house property during the previous year 2023-24:
Light and Water charges Rs. 2,000, Repairs Rs. 1,45,000, Interest on loan taken for the repair of property Rs. 36,000. Mr. Nirbhaya has taken a loan of Rs. 5,00,000 in July, 2017 for the construction of the above house property. Construction was

completed on 30th June, 2020. He paid interest on loan @12% per annum and every month such interest was paid. No repayment of loan has been made so far.

Income of Mr. Nirbhaya from his profession amounted to Rs. 8,00,000 during the year (without debiting house rent and other incidental expenditure including admissible depreciation of Rs. 8,000 on the portion of house used for profession).

Determine the Gross total income of Mr. Nirbhaya for the A.Y. 2024-25 ignoring the provisions of section 115BAC.

(4 Marks)

- (c) Mr. Vijay has a sole proprietary manufacturing unit. On 1st April, 2023, he owns Plant A and Plant B (rate of depreciation 15%). Depreciated value of the block on 1st April, 2023 is Rs. 10,00,000. Plant B is transferred on 15th October, 2023 for Rs. 19,00,000. Expenditure on transfer of Plant B is Rs. 20,000. Plant C (rate of depreciation 15%) is purchased on 10th March, 2024 for Rs. 22,00,000. However, Plant C is put to use on 2nd September, 2024 Business income of Mr. Vijay before claiming any depreciation is Rs. 11,00,000.

On 1st March, 2024, Mr. Vijay transfers 900 equity shares in A Ltd. (unlisted) for Rs. 23,50,000. Mr. Vijay does not own any residential house property. These shares were purchased on 2nd April, 2016 for Rs. 2,00,000. To avail of the benefit of exemption under different sections, he made the following investments on 1st May, 2024.

- (i) A residential house property at Kolkata: Rs. 19,00,000 (out of which stamp duty expenditure is Rs. 30,000).
- (ii) NHAI bonds: Rs. 3,00,000.

Find out the gross total income of Mr. Vijay for the A.Y. 2024-25.

CII – F.Y. 2023-24: 348; F.Y. 2016-17: 264

(4 Marks)

Question 4:

- (a) Mr. Ram, a resident Individual aged 65 years, submits the following details of his income for the assessment year 2024-25:

Particulars	Rs.
Loss from speculative business A	30,000
Income from speculative business B	1,50,000
Loss from specified business covered under section 35AD	20,000
Income from Salary (computed)	2,00,000
Loss from let out house property	1,90,000
Loss from cloth business	80,000
Long-term capital gain from sale of urban land	3,00,000
Long-term capital loss on sale of shares (STT not paid)	1,00,000
Long-term capital loss on sale of listed shares in recognized stock exchange (STT paid at the time of acquisition and sale of shares)	1,50,000
Income from betting (Gross)	80,000
Loss from gambling	8,000
Interest on saving bank deposits	12,000
Interest on fixed deposits with banks	40,000

Compute the total income of Mr. Ram and show the items eligible for carry forward, assuming that he does not opt for the provisions of section 115BAC.

(3 Marks)

- (b) Examine the tax implication of each transaction and compute the total income of Mr. Jitendra and Mrs. Jitendra and their minor son for the assessment year 2024-25, assuming they do not wish to opt for section 115BAC.
- (1) Mr. Jitendra has a fixed deposit of Rs. 6,00,000 in State bank of India. He instructed the bank to credit the interest on the deposit @9% from 1st April, 2023 to 31st March, 2024 to the savings bank account of Mr. Raj, son of his brother, to help him in his education.
 - (2) Mr. Jitendra started a proprietary business on 1st May, 2023 with capital of Rs. 6,00,000. His wife, Mrs. Jitendra, a software Engineer, gave cash of Rs. 5,00,000 on 1st May, 2023, which was immediately invested in the business by Mr. Jitendra. He earned a profit of Rs. 4,00,000 during the previous year 2023-24.
 - (3) Mr. Jitendra's minor son derived an income of Rs. 20,000 through a business activity involving application of his skill and talent.

(3 Marks)

- (c) Mr. Vimal, a resident individual aged 48 years, is working at a senior management position in a private bank since past 20 years. During the previous year 2023-24, he received the following emoluments from the employer:
- (a) Basic Salary Rs. 3,50,000 per month.
 - (b) Client entertainment reimbursement of Rs. 20,000 per month out of which he submitted bills for Rs. 2,00,000 for the relevant year.
 - (c) Leave travel allowance of Rs. 4,00,000 per annum. He took a trip to Goa with his spouse and two children in December 2023, for which plane boarding tickets of Rs. 1,00,000 and hotel bookings of Rs. 3,00,000 were submitted to the employer.
 - (d) Performance bonus amounting to 20% of annual basic salary.
 - (e) He is eligible to take a staff housing loan upto Rs. 20,00,000 at a concessional rate of 2.5% p.a. He availed a housing loan of Rs. 15,00,000 out of the same on 1st June 2023. No repayment of loan has been made during the F.Y. 2023-24. The lending rate of SBI as on 1.4.2023 for housing loan may be taken as 8% p.a.
 - (f) The Bank also allotted 1,500 sweat equity shares to Mr. Vimal in May 2023 at the rate of Rs. 1,300 per share. The Fair market value of the share was Rs. 1,500 per share on the date of exercise of option by Mr. Vimal. He sold all the shares for Rs. 2,100 per share on 31.03.2024 on recognised stock exchange. Assume Securities transaction tax has been paid.

The following transactions were made by Mr. Vimal during the previous year 2023-24:

- (a) He earned rental income of Rs. 35,000 per month from a 3 BHK residential flat situated at Delhi. He purchased the said flat for Rs. 45 Lakhs in June, 2023 using the housing loan availed from the employer and his own savings. It was let out from July, 2023. Municipal taxes of Rs. 12,000 for F.Y. 2023-24 was paid by Mr. Vimal.
- (b) He invested Rs. 30,00,000 in RBI Floating Rate Savings Bonds on 1st September 2023 earning an interest of 7% p.a. Interest is credited half yearly on 1st January and 1st July every year. (Assume receipt basis for taxation)
- (c) He also paid LIC premium of Rs. 15,000 for self, Rs. 20,000 for wife and Rs. 30,000 for dependent father, aged 75 years. Medical insurance premium paid on the health of dependent brother and major dependent son amounted to Rs. 5,000 (paid by cheque) and Rs. 10,000 (paid in cash), respectively.

(d) In December 2023, he earned dividend income of Rs. 5,00,000 (gross) on shares of the bank held by him.

You are required to compute his total income and tax liability for the assessment year 2024-25, clearly showing all workings. (Ignore section 115BAC provisions).

(6 Marks)

SECTION – B - DESCRIPTIVE QUESTIONS

QUESTION NO. 5 IS COMPULSORY

ATTEMPT ANY THREE QUESTIONS OUT OF REMAINING FOUR QUESTIONS.

TOTAL MARKS: 35 MARKS

Question 5:

Mr. Dilip, registered under GST, is engaged in supplying services (as discussed in the table below) in Maharashtra. He has furnished the following information with respect to the services provided/ received by him, during the month of February:

S. No.	Particulars	Amount (Rs.)
(i)	Carnatic music performance given by Mr. Dilip to promote a brand of readymade garments (Intra-State transaction)	1,40,000
(ii)	Outdoor catering services availed for a marketing event organised for his prospective customers (Intra-State transaction)	50,000
(iii)	Services of transportation of students provided to Subhaskar College providing education as part of a curriculum for obtaining a recognised qualification (Intra-State transaction)	1,00,000
(iv)	Legal services availed for official purpose from an advocate located in Gujarat (Inter-State transaction)	1,75,000
(v)	Services provided to Wealth Bank as a business correspondent with respect to accounts in a branch of the bank located in urban area (Intra-State transaction)	2,00,000
(vi)	Recovery agent's services provided to a car dealer (Intra-State transaction)	15,000
(vii)	General insurance taken on a car (seating capacity 5) used for official purposes (Intra-State transaction)	40,000

Note:

- Rates of CGST, SGST and IGST are 9%, 9% and 18% respectively.
 - All inward and outward supplies are exclusive of taxes, wherever applicable.
 - All the conditions necessary for availing the ITC have been fulfilled.
 - The turnover of Mr. Dilip was Rs. 2.5 crore in the previous financial year.
- Compute the net GST payable in cash, by Mr. Dilip for the month of February.

(8 Marks)

Question 6:

- (a) Determine whether GST is payable in each of the following independent transactions:
- Dhruv Developers sold a plot of land in Greater Noida after levelling, laying down of drainage lines, water lines and electricity lines.
 - Deccan Shipping Pvt. Ltd., registered under GST in Andaman and Nicobar islands, provided the passenger transportation services to the local residents in the ferries owned by it from Neil Island to Havelock Island.

(3 Marks)

- (b)** State the person liable to pay GST in the following independent services provided:
- (i) Siddhi Builders, registered in Haryana, rented out 20 residential units owned by it in Sanskriti Society to Rudra Technologies, an IT based firm registered in the State of Haryana, for accommodation of its employees.
 - (ii) M/s. Purohit Consultants, a partnership firm registered in Delhi as a regular tax payer, paid sponsorship fees of Rs. 70,000 at a seminar organized by a private NGO (a partnership firm) in Delhi.

(3 Marks)

- (c)** Briefly enumerate the contraventions which make a registered person liable to cancellation of registration, as prescribed under rule 21 of the CGST Rules, 2017.

(3 Marks)

Question 7:

- (a)** State the order in which every taxable person discharges his tax and other dues under GST law, as provided under section 49 of the CGST Act, 2017.

(3 Marks)

- (b)** Examine whether the following activities would amount to "supply" under GST law?
- (i) Slory Ltd. is engaged in manufacturing and selling of cosmetic products. Seva Trust, a charitable organisation, approached Slory Ltd. to provide financial assistance for its charitable activities. Slory Ltd. donated a sum of Rs. 2 lakh to Seva Trust with a condition that Seva Trust will place a hoarding at the entrance of the trust premises displaying picture of products sold by Slory Ltd.
 - (ii) Mr. Swamy of Chennai is working as a manager with ABC Bank. He consulted M/s. Jacobs and Company of London and took its advice for buying a residential house in Mumbai and paid them consultancy fee of 200 UK Pound for this import of service.

(3 Marks)

- (c)** Vivek Pvt. Ltd. provided the following particulars relating to goods sold by it to Ajeet Pvt. Ltd.:

Particulars	Amount (Rs.)
List price of the goods (exclusive of taxes and discount)	50,000
Tax levied by the Municipal Authority on the sale of such goods	6,000
Packing charges (not included in the list price above)	2,500
Subsidy received from a NGO, directly linked to price (included in the the list price above)	3,000
Paid to one of the vendors by Ajeet Pvt. in relation to the service provided by the vendor to Vivek Pvt. Ltd. (not included in the list price above)	2,000

Vivek Pvt. Ltd. offers 2% turnover discount on the list price after reviewing the performance of Ajeet Pvt. Ltd. The discount was not known at the time of supply. Ajeet Pvt. Ltd. delayed the payment and paid Rs. 5,000 (including GST of 18%) as interest to Vivek Pvt. Ltd.

Determine the value of taxable supply made by Vivek Pvt. Ltd. under GST law.

(3 Marks)

Question 8:

- (a) Mr. Ajay Singh, an unregistered famous author, received Rs. 3 crore of consideration from Shiv Bhawan Publications (SBP) located in Indore for supply of services by way of temporary transfer of a copyright covered under section 13(1)(a) of the Copyright Act, 1957 relating to original literary works of his new book. He finished his work & made available the book to the publisher, but has yet not raised the invoice. Mr. Ajay Singh is of the view that SBP is liable to pay tax under reverse charge on services provided by him. SBP does not concur with his view and is not ready to deposit the tax under any circumstances.

Examine whether the view of Mr. Ajay Singh is correct. Further, if the view of Mr. Ajay Singh is correct, what is the recourse available with Mr. Ajay Singh to comply with the requirements of GST law as SBP has completely refused to deposit the tax.

(3 Marks)

- (b) 'PQ', a statutory body, deals with the all the advertisement and publicity of the Government. It has issued a release order to 'Moon Plus' channel (registered in State 'A') for telecasting an advertisement relating to one of the schemes of the Government in the month of September 2023. The advertisement will be telecasted in the States of 'A', 'B', 'C', 'D' and 'E'. The total value of the service contract entered into between 'Moon Plus' and 'PQ' is ₹ 10,00,000 (exclusive of GST).

You are required to determine the place of supply of the services in the instant case as also the value of supply attributable to the States of 'A', 'B', 'C', 'D' and 'E'. Further, compute the GST liability [CGST & SGST or IGST, as the case may be] of 'Moon Plus' as also advise it as to whether it should issue one invoice for the entire contract value or separate State-wise invoices. The other relevant information is given hereunder:

Table 1

States	Viewership figures of 'Moon Plus' channel in the last week of June 2023 as provided by the Broadcast Audience Research Council
A	50,000
B + C	1,00,000
D + E	50,000

Table 2

States	Population as per latest census (in crores)
A	50
B	180
C	20
D	100
E	25

The applicable rate of tax is as under:

CGST	SGST	IGST
9%	9%	18%

(6 Marks)**Question 9:**

- (a) White Agro Services, a registered person provides the following information relating to its activities during the month of February:

Gross Receipts from	Rs.
Services relating to rearing of sheeps	6,00,000
Services by way of artificial insemination of horses	4,00,000
Processing of sugarcane into jaggery	8,00,000
Milling of paddy into rice	7,50,000
Service by way of fumigation in a warehouse of agricultural produce	1,80,000

All the above receipts are exclusive of GST.

Compute the value of taxable supplies under GST laws for the month of February.

(4 Marks)

- (b)** Abhay Pvt. Ltd., Pune provides house-keeping services. The company supplies its services exclusively through an e-commerce website owned and managed by Hi-Tech Indya Pvt. Ltd., Pune. The turnover of Abhay Pvt. Ltd. in the current financial year is Rs. 18 lakh.

Advise Abhay Pvt. Ltd. as to whether they are required to obtain GST registration. Will your advice be any different if Abhay Pvt. Ltd. sells readymade garments exclusively through the e-commerce website owned and managed by Hi-Tech Indya Pvt. Ltd.?

(5 Marks)

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