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PART – I

Case Scenario – 1 :

Pawan was engaged in providing various services within the State of Rajasthan since May 2023. His Aggregate turnover crossed the threshold limit on 04.07.2023. He applied for registration under GST on 02.08.2023. He got his GST registration on 10.08.2023.

After taking registration Pawan started a business across India including supply of goods also. He dispatched goods pan India based on orders he got for the goods dealt by him.

He received an order from Delhi for which he supplied taxable goods valuing ₹ 45,000. Applicable rate of IGST was 12%. He also supplied certain exempted goods valuing ₹ 4,000. He made one invoice for both taxable as well as exempted supply made to Delhi.

He asked his tax consultant for the requirement of generation of e-way bill for this order. Tax consultant informed him that the requirement of e-way bill is based on consignment value of goods supplied.

Even being a micro enterprise, Pawan did not receive timely payment from his customers as a result of which he ran into severe cash crunch and eventually could not make on-time payment to his suppliers. As a result, he decided to shut down his business and got placed in a software company as a senior programmer executive.

While shutting down his business, he informed his tax consultant to cancel the GST Registration. Tax consultant surrendered his registration online in GST Portal on 25.10.2023 and his application for cancellation was approved by the Proper Officer on 31.10.2023.

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All the amounts given above are exclusive of taxes wherever applicable.

From the information given above, choose the most appropriate answer for the

1 – 3 questions :

1. Effective date of registration of Pawan is _____. 2
(A) 02.08.2023
(B) 04.07.2023
(C) 03.08.2023
(D) 10.08.2023

2. Consignment value of goods supplied to Delhi by Pawan is ₹ _____. 2
(A) ₹ 49,000
(B) ₹ 45,000
(C) ₹ 50,400
(D) ₹ 54,400

3. Due date by which Pawan is supposed to file Final return under GST is _____. 2
(A) 30.11.2023
(B) 25.11.2023
(C) 25.01.2024
(D) 31.01.2024

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4. 'Truth is God', a religious trust u/s 12AA of the Income-tax Act, 1961, provides service by way of renting of premises within the precincts of a religious place which is exempt upto ₹ _____. 1

- (A) ₹ 1,000 per day
- (B) ₹ 999 per day
- (C) ₹ 9,999 per day
- (D) ₹ 10,000 per day

5. Smita Limited made an outward supply of garments at an agreed price of ₹ 5,00,000. The company charged 'Go Green Cess' levied by Local municipal corporation amounting to ₹ 10,000 for this supply. As the customer made payment within 3 days from the date of delivery, Smita Limited provide a discount of ₹ 5,000 separately as a customer friendly measure, even though no prior agreement was made on discount. Value of Supply made by Smita Limited u/s 15 is ₹ _____. 2

- (A) 5,10,000
- (B) 5,05,000
- (C) 5,00,000
- (D) 5,15,000

$Ac\ 1200 \times 12 = 14400$
 $FR\ 3000 \times 12 = 36000$
 16000
 36000
 20000
 16000
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 $1200 \times 12 = 14400$

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Case Scenario - 2 :

Ms. Prerna is having a residential house property in Nagpur, of which 1/3rd is self-occupied and 2/3rd is let out for commercial purposes at a monthly rent of ₹ 12,000. Fair rent (for let out portion only) was ₹ 30,000 p.m., Municipal value for the property was ₹ 2,40,000 and standard rent under the Rent Control Act was ₹ 3,00,000 for the entire property. Municipal taxes are 10% of municipal valuation and are paid by her on 30th July, 2023. She took a loan of ₹ 45,00,000 for the construction of this house from a scheduled bank on 1.4.2021. She repaid the entire loan along with interest on 30.6.2023. The interest rate for this loan was 10% p.a. The construction was completed on 30th June, 2022. She earns other income of ₹ 2,00,000 during the previous year 2023-24. She wishes to opt for default tax regime.

Based on the above information, answer multiple choice question no. 6 - 8 :

6. The Net Annual Value (NAV) of the house property for the A.Y. 2024-25 is : 2

- (A) ₹ 1,44,000
- (B) ₹ 1,28,000
- (C) ₹ 1,84,000
- (D) ₹ 2,00,000

FR	3,60,000	FR	3,60,000
RV	2,40,000	MV	2,40,000
	3,60,000		3,00,000
ST	30,000	ST	30,000
	30,000		30,000
			1,60,000
			30,000
			2,90,000
			1,93,200

 $11/1/21 - 30/6/22$
 $11/1/21 - 31/3/22$
 1 Year - 4,50,000

7. Deduction in respect of interest on loan for the P.Y. 2023-24 shall be : 2

- (A) ₹ 1,35,000
- (B) ₹ 2,02,500
- (C) ₹ 5,62,500
- (D) ₹ 1,12,500

FR	3,60,000	
MV	1,60,000	
	3,60,000	11,25,000
	2,00,000	
	2,00,000	
	16,000	

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8. Compute her total income for the assessment year 2024-25.

- (A) ₹ 2,00,000
- (B) ₹ 1,93,800
- (C) Nil
- (D) ₹ 2,05,000

Case Scenario - 3 :

Mr. Desai (aged 52 years) is an Indian resident. He gives the following information to you relating to the P.Y. 2023-24 :

- (i) Profit from the business carried out in Dubai controlled from Dubai - ₹ 13,10,000 (received in a bank account in Dubai).
- (ii) Loss from a business in Delhi - ₹ 4,50,000
- (iii) During the FY 2023-24, he also played some online games on a particular Indian website Game.com. Game.com is a manufacturer of men's shirts. During the year Mr. Desai won 6 such shirts. The cost to manufacture such shirts by Game.com is ₹ 3,000 per piece and it sells these shirts at ₹ 10,000 per piece (excluding GST @ 18%). However, to play such games, Mr. Desai had to deposit a sum of ₹ 50,000 with the website as a refundable deposit.
- (iv) On 23rd May 2023, he gifted listed equity shares in an Indian company to his son's daughter, Ms. Shanaya. These shares were purchased by him on 1.4.2020 for ₹ 65,000. The market value as on the date of transfer was ₹ 1,00,000. Shanaya sold these shares for a consideration of ₹ 50,000 on 31.3.2024.
- (v) He had taken a loan of ₹ 25,00,000 for the purchase of an electric vehicle (for his personal purposes) on 1.4.2022 from a scheduled bank. He paid ₹ 5,00,000 as interest on such loan during the P.Y. 2023-24.
- (vi) He opts to be governed by the default provisions of taxation regime under the Act.

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Based on the above information, answer multiple choice question no. 9 – 11 :

9. What shall be the total income of Mr. Desai for the AY 2024-25 ? 2
- (A) ₹ 8,63,000
(B) ₹ 8,78,000
(C) ₹ 9,20,000
(D) ₹ 7,70,000
10. Which of the following statement is correct in respect of deductions available to him under Chapter VI-A ? 2
- (A) He shall not be eligible for any deduction under Chapter VI-A irrespective of the tax regime opted by him.
(B) He shall be eligible for a deduction of ₹ 1,50,000 in respect of interest on loan irrespective of the tax regime opted by him.
(C) He shall be eligible for a deduction of ₹ 1,50,000 in respect of interest on loan only if he opts out of the default tax regime.
(D) He shall be eligible for a deduction of ₹ 50,000 in respect of interest on loan only if he opts out of the default tax regime.
11. What is the requirement of deduction of tax at source by Game.com in respect of such winning by Mr. Desai ? 2
- (A) Game.com needs to deduct tax at source amounting to ₹ 5,400.
(B) Game.com needs to deduct tax at source amounting to ₹ 18,000.
(C) There is no requirement for deduction of tax at source. However, Mr. Desai need to collect tax at source from the security deposit.
(D) Game.com needs to deduct tax at source amounting to ₹ 6,000.

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12. During the year 2023-24, Mrs. Kalia (aged 65 years), received ₹ 10,50,000 as family pension. She had to spend ₹ 26,000 to get such income towards documentation and processing charges. She does not have any other income. Assuming she opts for the default tax regime, what shall be her total income chargeable to tax ? 1
- (A) ₹ 10,24,000
(B) ₹ 10,35,000
(C) ₹ 10,50,000
(D) ₹ 7,00,000
13. Mr. Sundaram owns two residential house properties in Chennai, one of which is used by him and his family for their residential purposes. Both the houses are exactly identical and their expected rent/municipal value etc. are also the same. He let out the other house for a rent of ₹ 1,15,000 p.m. He took two similar loans for the purchase of these two houses on 1.4.2022. The stamp duty value of these houses is ₹ 30 lakhs each. During the FY 2023-24, he paid ₹ 4,00,000 as interest for each of the houses. He does not have any other income or investments during the year. He did not file his return of income within the due date under section 139(1). What shall be his total income chargeable to tax ? 2
- (A) ₹ 3,66,000
(B) ₹ 2,16,000
(C) ₹ 5,66,000
(D) ₹ 1,66,000
- 115000 x 12 = 1380000

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Case Scenario – 4 :

M/s. Veena & Co. of Jabalpur was registered under GST under composition scheme. Outward Supply of the firm for the month of July 2023 was ₹ 10 Lakhs. Out of which ₹ 2 Lakhs was supply of services. In the preceding financial year, the firm was doing trading of taxable goods only. Turnover of the concern for the previous financial year was ₹ 100 Lakhs. ✓

The firm imported the following services during August, 2023 :

- (a) Architect services from Mr. Vinod, a partner of the firm, who resides in France – for ₹ 1,00,000. The said service was paid but not used for the furtherance of the business. ✗
- (b) Management consultancy services from Mr. Lal, a renowned lawyer in Sweden, who was an ex-employee of the firm. The value of the said service was ₹ 3,00,000. Even though it was used in the furtherance of the business, no consideration was paid by the firm. ✓

Aggregate Turnover of the firm crossed the limit of ₹ 150 Lakhs on 25.09.2023 from which date the firm was liable to pay tax under regular scheme. ✓

All the amounts given above are exclusive of taxes wherever applicable. All the supply referred above is intra-State unless specified otherwise.

From the information given above, choose the most appropriate answer for the 14 – 16 questions :

14. Tax liability of Veena & Co. for the month of July 2023 is ₹ _____ each under CGST and SGST. 2

- (A) 9,000 (B) 5,000
(C) 10,000 (D) 14,000

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15. Import of services by Veena & Co. that will be treated as supply is ₹ _____ 2

- (A) ₹ 1,00,000
(B) Nil
(C) ₹ 3,00,000
(D) ₹ 4,00,000

16. Veena & Co. will be eligible to claim ITC held on Stock and Capital goods as on _____ 2

- (A) 24-09-2023
(B) 01-09-2023
(C) 25-09-2023
(D) 30-09-2023