

Mock Test Paper - Series I: March, 2024

Date of Paper: 9 March, 2024

Time of Paper: 2 P.M. to 5 P.M.

**INTERMEDIATE COURSE: GROUP - I**

**PAPER – 3: TAXATION**

**Time Allowed – 3 Hours**

**Maximum Marks – 100**

**SECTION – A: INCOME TAX LAW (50 MARKS)**

*Working Notes should form part of the answer. Wherever necessary, suitable assumptions may be made by the candidates and disclosed by way of a note. However, in answers to Questions in Division A, working notes are not required.*

*The relevant assessment year is A.Y.2024-25.*

**Division A – Multiple Choice Questions**

**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. Mr. Kamal, aged 45 years, commenced operations of the business of a new three-star hotel in Delhi on 1.4.2023. He incurred capital expenditure of ₹ 50 lakhs on land in March, 2023 exclusively for the above business, and capitalized the same in his books of account as on 1<sup>st</sup> April, 2023. Further, during the P.Y. 2023-24, he incurred capital expenditure of ₹ 2 crores (out of which ₹ 50 lakhs was for acquisition of land and ₹ 1.50 crore was for acquisition of building) exclusively for the above business. The payments in respect of the above expenditure were made by account payee cheque. The profits from the business of running this hotel (before claiming deduction under section 35AD) for the A.Y.2024-25 is ₹ 85 lakhs.

He has employed 220 new employees during the P.Y.2023-24, the details of whom are as follows –

	<b>No. of employees</b>	<b>Date of employment</b>	<b>Regular/ Casual</b>	<b>Total monthly emoluments per employee (₹)</b>
(i)	40	1.6.2023	Regular	24,000
(ii)	80	1.7.2023	Regular	24,500
(iii)	50	1.7.2023	Casual	25,500
(iv)	30	1.9.2023	Regular	25,000
(v)	20	1.12.2023	Casual	24,000

All regular employees participate in recognized provident fund and their emoluments are paid by account payee cheque. His gross revenue from the hotel is ₹ 11 crores. Mr. Kamal has opted out of the default tax regime under section 115BAC.

Mr. Kamal also has another existing business of running a four-star hotel in Ahmedabad, which commenced operations twenty years back, the profits from which are ₹ 140 lakhs for the A.Y.2024-25

Based on the facts of the case scenario given above, choose the most appropriate answer to the following questions:

- (i) Assuming that Mr. Kamal has fulfilled all the conditions specified for claim of deduction under section 35AD and has not claimed any deduction under Chapter VI-A under the heading "C. – Deductions in respect of certain incomes", what would be the quantum of deduction under section 35AD, which he is eligible to claim as deduction for A.Y.2024-25?
- (a) ₹ 250 lakhs  
(b) ₹ 200 lakhs  
(c) ₹ 100 lakhs  
(d) ₹ 150 lakhs
- (ii) What would be the income chargeable/loss under the head "Profits and gains of business or profession" for the A.Y.2024-25 in the hands of Mr. Kamal?
- (a) ₹ 75 lakhs  
(b) ₹ 140 lakhs  
(c) ₹ 25 lakhs  
(d) ₹ 10 lakhs
- (iii) Would Mr. Kamal be eligible for deduction under section 80JJAA in the A.Y.2024-25? If so, what is the quantum of deduction?
- (a) No, he would not be eligible for deduction u/s 80JJAA  
(b) Yes; ₹ 75,00,000  
(c) Yes; ₹ 81,72,000  
(d) Yes; ₹ 99,72,000
- (3 x 2 = 6 Marks)**

2. Mr. Arvind, an Indian citizen, wants to file his return of income for the previous year 2023-24. He required assistance for which he has approached you. He has shared the following details relevant to the P.Y. 2023-24.

Mr. Arvind owned a house property in Bangalore and the same was rented out for ₹ 65,000 p.m. to Mr. Arjun, a salaried employee. He claims that this was the only income which he earned during the P.Y. 2023-24. However, when you had sought for his bank statement, you observed the following information additionally.

There is a credit for ₹ 23,975 towards income-tax refund which includes ₹ 5,775 towards interest on income-tax refund. On 15th August, 2023, the bank statement showed a credit of ₹ 55,000 which he claimed to have received as a gift from his grandchildren on his 60th birthday. On further assessment you were able to understand that Mr. Arvind and his wife had travelled to Mauritius during the P.Y. 2023-24 to spend some time with their son, who is staying in Mauritius. On scrutiny of their passport and relevant documents you conclude that they had left India on 27th September, 2023 and returned on 31st March, 2024. During the 4 years preceding previous year 2023-24, both had stayed in India for 320 days. Prior to that, they had been staying only in India.

Based on the facts of the case scenario given above, choose the most appropriate answer to the following questions:

- (i) What is the residential status of Mr. Arvind for the P.Y. 2023-24?
- (a) Resident and ordinarily resident
  - (b) Resident but not ordinarily resident
  - (c) Non-resident
  - (d) Deemed resident but not ordinarily resident
- (ii) Is there any requirement to deduct tax at source under section 194-IB on such rent by Mr. Arjun? If yes, what would be the amount of TDS to be deducted?
- (a) No, there is no requirement to deduct tax at source under section 194-IB, since Mr. Arjun is a salaried employee
  - (b) Yes, Mr. Arjun is required to deduct tax at source of ₹ 39,000 under section 194-IB
  - (c) Yes, Mr. Arjun is required to deduct tax at source of ₹ 78,000 under section 194-IB
  - (d) No, there is no requirement to deduct tax at source under section 194-IB, since Mr. Arvind is a non-resident
- (iii) Which of the following statements is correct with respect to advance tax liability of Mr. Arvind for P.Y. 2023-24?
- (a) Advance tax liability shall not arise to Mr. Arvind since he is a non-resident
  - (b) Advance tax liability shall not arise, since Mr. Arvind is a resident senior citizen and he has no income chargeable under the head "Profits and gains of business or profession"
  - (c) Advance tax liability shall arise, since he is a non-resident
  - (d) Advance tax liability shall arise, since his tax liability is not less than ₹ 10,000
- (3 x 2 = 6 Marks)**
3. Roshini Ltd. has two units, one unit at Special Economic Zone (SEZ) and other unit at Domestic Tariff Area (DTA). The unit in SEZ was set up and

started manufacturing from 12.5.2014 and unit in DTA from 15.6.2017. Total turnover of Roshini Ltd. and Unit in DTA is ₹ 12,50,00,000 and 4,50,00,000, respectively. Export sales of units in SEZ and DTA is ₹ 3,50,00,000 and ₹ 2,25,00,000, respectively and net profit of Unit in SEZ and DTA is ₹ 95,00,000 and ₹ 80,00,000, respectively. Out of the export sales of ₹ 3,50,00,000, ₹ 2,00,00,000 have been received in convertible foreign exchange by 30.9.2024. Roshini Ltd. would be eligible for deduction under section 10AA for -

- (a) ₹ 20,78,125
- (b) ₹ 41,56,250
- (c) ₹ 11,87,500
- (d) ₹ 23,75,000

**(2 Marks)**

4. What would be the tax liability of Ms. Savita, a resident, who attained the age of 60 years on 01.04.2024 on the total income of ₹ 7,25,000, comprising of salary income and interest on fixed deposits under default tax regime under section 115BAC?

- (a) ₹ 28,600
- (b) ₹ 26,000
- (c) ₹ 3,600
- (d) ₹ 2,600

**(1 Mark)**

### Division B – Descriptive Questions

*Question No. 1 is compulsory*

*Attempt any **two** questions from the remaining **three** questions*

1. Mr. Amit, having business of manufacturing of furniture, gives the following Trading and Profit & Loss Account for the year ended 31.03.2024:

#### Trading and Profit & Loss Account

Particulars	₹	Particulars	₹
Opening Stock	5,62,500	Sales	2,33,25,000
Purchases	1,88,62,500	Closing Stock	6,75,000
Freight & Cartage	1,89,000		
Gross profit	43,86,000		
	<b>2,40,00,000</b>		<b>2,40,00,000</b>
Bonus to staff	71,250	Gross profit	43,86,000
Rent of premises	80,250	Income-tax refund	30,000
Advertisement	7,500	Warehousing charges	22,50,000

Bad Debts	1,12,500	
Interest on loans	2,51,250	
Depreciation	1,07,250	
Goods and Services tax demand paid	1,62,525	
Salary	5,50,000	
Miscellaneous expenses	2,38,475	
Net profit	50,85,000	
	<b>66,66,000</b>	<b>66,66,000</b>

Following are the further information relating to the financial year 2023-24:

- (i) Income-tax refund includes amount of ₹ 4,570 of interest allowed thereon.
- (ii) Salary include ₹ 30,000 paid to his brother which is unreasonable to the extent of ₹ 5,000.
- (iii) Advertisement expenses include an amount of ₹ 2,500 paid for advertisement published in the souvenir issued by a political party. The payment is made by way of an account payee cheque.
- (iv) Miscellaneous expenses include an amount of ₹ 1,00,000 paid to Political Party by cheque.
- (v) Goods and Services Tax demand paid includes an amount of ₹ 5,300 charged as penalty for delayed filing of returns and ₹ 12,750 towards interest for delay in deposit of tax.
- (vi) Mr. Amit had purchased a warehouse building of ₹ 20 lakhs in rural area for the purpose of storage of agricultural produce. This was made available for use from 15.07.2023 and the income from this activity is credited in the Profit and Loss account under the head "Warehousing charges".
- (vii) Depreciation under the Income-tax Act, 1961 works out at ₹ 65,000 excluding depreciation on warehouse building.
- (viii) Interest on loans includes an amount of ₹ 80,000 paid to Mr. Mohit, a resident, on which tax was not deducted.

Compute the total income and tax liability of Mr. Amit for the A.Y. 2024-25 in a most beneficial manner. **(15 Marks)**

2. (a) Mr. Akash, an Indian citizen aged 45 years, worked in XYZ Ltd. in Delhi. He got a job offer from ABC Inc., California on 01.06.2022. He left India for the first time on 31.07.2022 and joined ABC Inc. on 08.08.2022. During the P.Y. 2023-24, Mr. Akash visited India from 25.05.2023 to 22.09.2023. He has received the following income for the previous year 2023-24:

Particulars	₹
Salary from ABC Inc., California received in California (Computed)	7,00,000
Dividend from Indian companies	5,00,000
Agricultural income from land situated in Nepal, received in Nepal	4,00,000
Rent received/receivable from house property in Delhi	5,50,000
Profits from a profession in California, which was set up in India, received there	6,00,000

Determine the residential status of Mr. Akash and compute his total income for the A.Y. 2024-25. **(6 Marks)**

(b) Examine and compute the liability for deduction of tax at source, if any, in the cases stated hereunder, for the financial year ended 31<sup>st</sup> March, 2024.

(i) State Bank of India pays ₹ 70,000 per month and ₹ 60,000 per month as rent to the Central Government and Mr. Kunal, respectively for building in which its branches are situated.

(ii) Payment of ₹ 2,50,000 to Mr. Deepak a transporter who owns 8 goods carriages throughout the previous year. He does not furnish his PAN. **(4 Marks)**

3. (a) Mr. Sahil, a resident individual, aged 40 years, is an assistant manager of Fox Ltd. He is getting a salary of ₹ 55,000 per month. During the previous year 2023-24, he received the following amounts from his employer.

(i) Dearness allowance (10% of basic pay which forms part of salary for retirement benefits).

(ii) Bonus of ₹ 60,000.

(iii) Fixed Medical allowance of ₹ 50,000 for meeting medical expenditure.

(iv) He was also reimbursed the medical bill of his mother dependent on him amounting to ₹ 6,500.

(v) Mr. Sahil was provided;

- a laptop both for official and personal use. Laptop was acquired by the company on 1<sup>st</sup> June, 2021 at ₹ 35,000.
- a domestic servant at a monthly salary of ₹ 8,000 which was reimbursed by his employer.

(vi) Fox Ltd. allotted 700 equity shares in the month of October 2023 @ ₹ 170 per share against the fair market value of ₹ 280 per share on the date of exercise of option by Mr. Sahil. The fair

market value was computed in accordance with the method prescribed under the Act.

- (vii) Professional tax ₹ 2,200 (out of which ₹ 1,400 was paid by the employer).

Compute the Income under the head "Salaries" of Mr. Sahil for the assessment year 2024-25 if he is paying tax under default tax regime under section 115BAC. **(5 Marks)**

- (b) Mr. Kushal is a resident but not ordinarily resident in India during the Assessment Year 2024-25. He furnishes the following information regarding his income/expenditure pertaining to his house properties for the previous year 2023-24:

- He owns two houses, one in New York and the other in Ahmedabad.
- The house in New York is let out there at a rent of \$ 5,000 p.m. The entire rent is received in India. He paid Property tax of \$ 1,250 and Sewerage Tax \$ 750 there. (\$ 1 = INR 81)
- The house in Ahmedabad is self-occupied. He had taken a loan of ₹ 30,00,000 to construct the house on 1<sup>st</sup> September, 2018 @10%. The construction was completed on 31<sup>st</sup> May, 2020 and he occupied the house on 1<sup>st</sup> June, 2020.

The entire loan is outstanding as on 31<sup>st</sup> March, 2024. Property tax paid in respect of the second house is ₹ 2,800.

Compute the income chargeable under the head "Income from House property" in the hands of Mr. Kushal for the Assessment Year 2024-25 if he has opted out of the default tax regime under section 115BAC.

**(5 Marks)**

4. (a) Mr. Vishal, aged 33 years, submits the information of following transaction/income during the P.Y. 2023-24
- (i) Mr. Vishal had a house in Delhi. During financial year 2022-23, he had transferred the said house to Ms. Deepika, daughter of his brother without any consideration. House would go back to Mr. Vishal after the life time of Ms. Deepika. The transfer was made with a condition that 10% of rental income from such house shall be paid to Mrs. Vishal. Rent received by Ms. Deepika during the previous year 2023-24 from such house property is ₹ 5,50,000.
  - (ii) Mr. Vishal holds preference shares in M/s A Pvt. Ltd. He instructed the company to pay dividends to Ms. Chandni, daughter of his servant. The transfer is irrevocable for the lifetime of Chandni. Dividend received by Ms. Chandni during the previous year 2023-24 is ₹ 4,50,000.
  - (iii) Mr. Vishal has a short term capital loss of ₹ 16,000 from sale of property and long term capital gain of ₹ 15,000 from sale of property.

(iv) Other income/loss of Mr. Vishal includes

- Interest from saving bank account of ₹ 1,75,000
- Cash gift of ₹ 75,000 received from daughter of his sister on his birthday.
- Income from betting of ₹ 25,000
- Income from card games of ₹ 46,000
- Loss on maintenance of race horses of ₹ 14,600

Compute the total income of Mr. Vishal for the Assessment Year 2024-25 if he has opted out of the default tax regime and the losses to be carried forward. **(6 Marks)**

- (b) Enumerate the cases where a return of loss has to be filed on or before the due date specified u/s 139(1) for carry forward of the losses. Also enumerate the cases where losses can be carried forward even though the return of loss has not been filed on or before the due date.

**(4 Marks)**

**OR**

- (b) Mr. Vishnu has undertaken certain transactions during the F.Y.2023-24, which are listed below. You are required to identify the transactions in respect of which quoting of PAN is mandatory in the related documents –

S. No.	Transaction
1.	Sale of scooter for ₹ 70,000
2.	Payment of life insurance premium of ₹ 67,000 to insurance company
3.	Purchase of plot for ₹ 9 lakhs while the stamp duty of the same is ₹ 11 lakhs
4.	Applied to PNB for issue of credit card.

**(4 Marks)**



## **SECTION B – GOODS AND SERVICES TAX (50 MARKS)**

### **QUESTIONS**

- (i) Working Notes should form part of the answers. However, in answers to Questions in Division A, working notes are not required.**
- (ii) Wherever necessary, suitable assumptions may be made by the candidates, and disclosed by way of notes.**
- (iii) All questions should be answered on the basis of position of the GST law as amended by provisions of the CGST Act, 2017 and the IGST Act, 2017 as amended by the Finance Act, 2023, including significant notifications and circulars issued, up to 31<sup>st</sup> October, 2023.**

#### **Division A - Multiple Choice Questions (MCQs)**

**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.**

**Total Marks: 15 Marks**

XYZ Electronics Pvt. Ltd. is a leading electronic goods manufacturing company in Delhi. The company produces a wide range of products, including smartphones, laptops, and home appliances.

The sales by the Company are mainly through its distributors on the following credit terms:

For laptops – up to 15 days

For smartphones – up to 90 days

For other home appliances – up to 45 days

During the year, the Company purchased plant and machinery worth ₹ 1 crore exclusive of GST. The GST rate for such plant and machinery is 18%. The input tax credit on such plant and machinery is not blocked under any provision of the CGST Act, 2017.

The Company is planning to demerge its operations in relation to the laptops and other computer accessories from the next financial year. The demerged entity will be a separate legal entity of the Company in form of a wholly owned subsidiary of the Company having common Board of Directors.

The Company also participates in domestic and international level trade fairs to showcase its products and sale through those events. The Electronics Association of Rajasthan is organising a trade fair in Jaipur. The Company is keen to participate in the same. To ensure the GST compliances, the Company wants to obtain the GST registration as casual taxable person in the state of Rajasthan. The Company obtained the GST registration as casual taxable person in the state of Rajasthan with the validity period of 45 days.

The Company transferred the goods from one of its godown in Delhi to another godown in Gujarat wherein the Company has a registered place of business. The value of goods transferred is ₹ 5 crores and the rate of GST applicable on such transfer is 18%. The tax invoice was issued, and GST was deposited by the Company. However, the consideration was not paid by the Gujarat office of the Company to the Delhi office even after 180 days of the invoice date. Further, there was no reverse movement of such goods from Gujarat godown to Delhi Godown.

Based on the information provided above, choose the most appropriate answer for the following questions-

1. What shall be the time limit to issue invoice for supply of smartphones on credit:
  - (a) Invoice shall be issued on 31<sup>st</sup> day from the date of removal of smartphones to distributors.
  - (b) Invoice shall be issued before or at the time of removal of smartphones to distributors.
  - (c) Invoice shall be issued at the time of receiving payment from distributors.
  - (d) Invoice shall be issued upon completion of credit term, i.e. 90 days.
2. In relation to the plant and machinery purchased by the Company, select the correct alternative from the following:
  - (a) ITC of ₹ 18 lakh can be claimed and value of asset on which depreciation can be claimed under the provisions of Income- Tax Act, 1961 shall be ₹ 1.18 crore.
  - (b) ITC of ₹ 18 lakh can be claimed and value of asset on which depreciation can be claimed under the provisions of Income- Tax Act, 1961 shall be ₹ 1 crore.
  - (c) ITC cannot be claimed in such transaction and value of asset on which depreciation can be claimed under the provisions of Income- Tax Act, 1961 shall be ₹ 1 crore.
  - (d) ITC of ₹ 18 lakh can be claimed and value of asset on which depreciation can be claimed under the provisions of Income- Tax Act, 1961 shall be ₹ 82 lakh.
3. How shall the demerged entity be treated under the provisions of GST Law?
  - (a) The demerged entity shall be treated as related party of the Company.
  - (b) The demerged entity shall be treated as distinct entity of the Company.
  - (c) The demerged entity shall be treated as additional place of business of the Company.
  - (d) The demerged entity shall be treated as sole selling agent of the Company.
4. The period of retention of books of accounts related to period prior to demerger under GST Law is:
  - (a) 36 months from the end of financial year

- (b) 60 months from the end of financial year
  - (c) 72 months from the end of financial year
  - (d) 72 months from due date of furnishing annual return for the relevant financial year
5. The validity of GST registration as a casual taxable person in the state of Rajasthan is:
- (a) 45 days
  - (b) 90 days
  - (c) 180 days
  - (d) 135 days
6. Which of the following statements is true in relation to the non-payment of consideration by the Gujarat godown to Delhi godown?
- (a) The Gujarat godown shall reverse the ITC availed on the goods received from Delhi and also required to pay interest computed from the date of invoice till the date of reversal of ITC.
  - (b) The Gujarat godown shall reverse the ITC availed on the goods received from Delhi and no interest shall be applicable.
  - (c) The restriction of 180 days for payment of consideration is not applicable in the present case.
  - (d) The Delhi godown shall issue a credit note to Gujarat godown to reverse the supply.

**(6 x 2 Marks = 12 Marks)**

7. Sanu Associates, Delhi dealing in garments has ordered ladies suits from Sahiba Garments in Ludhiana (Punjab) which is 350 km away from its warehouse. E-way bill is generated by Sahiba Garments and the order is coming by a normal cargo. For how many days will the e-way bill be valid from the time it is generated?
- (a) 24 hours
  - (b) 2 days
  - (c) 5 days
  - (d) 7 days
- (2 Marks)**
8. 'Pihu' Ltd. has its registered office, under the Companies Act, 2013, in the State of Maharashtra from where it ordinarily carries on its business of taxable goods. It also has a warehouse in the State of Telangana for storing said goods. What will be the place of business of 'Pihu' Ltd. under the GST law?
- (a) Telangana
  - (b) Maharashtra
  - (c) Both (a) and (b)
  - (d) Neither (a) nor (b)
- (1 Mark)**

## Division B - Descriptive Questions

### Question No. 1 is compulsory.

Attempt any two questions out of remaining three questions.

**Total Marks:35 Marks**

1. (a) Vishnu Pvt. Ltd., a registered supplier of goods and services at Kolkata has furnished the following information for the month of February:

S. No.	Particulars	Amount (₹)
(i)	Intra-State supply of taxable goods including ₹ 1,00,000 received as advance in January, the invoice for the entire sale value is issued on 15 <sup>th</sup> February	4,00,000
(ii)	Purchase of goods from a composition dealer, registered in Kolkata	5,50,000
(iii)	Services provided by way of labour contracts for repairing a single residential unit otherwise than as a part of residential complex (It is an intra-State transaction)	1,00,000
(iv)	Membership of a club availed for employees working in the factory (It is an intra-State transaction)	1,75,000
(v)	Goods transport services received from a GTA. GTA has exercised option to pay tax @12% (It is an inter-State transaction)	2,00,000
(vi)	Inter-State services provided by way of training in sports	10,000
(vii)	Inter-State security services provided to Bharat higher secondary school for their annual day function organised in Kaman Auditorium outside the School campus	15,000
(vii)	Inputs to be received in 4 lots, out of which 2 <sup>nd</sup> lot was received during the month	40,000

The company has following ITCs with it at the beginning of the tax period:

Particulars	Amount (₹)
CGST	57,000
SGST	Nil
IGST	50,000

Note:

- (i) Rates of CGST, SGST and IGST are 9%, 9% and 18% respectively.
- (ii) Both inward and outward supplies are exclusive of taxes, wherever applicable.

- (iii) All the conditions necessary for availing the ITC have been fulfilled.
- (iv) The turnover of Vishnu Pvt. Ltd. was ₹ 2.5 crore in the previous financial year.

Compute the minimum GST, payable in cash, by Vishnu Pvt. Ltd. for the month of February. Make suitable assumptions as required.

**(10 Marks)**

- (b) Gulati Ltd., a registered supplier in Mumbai (Maharashtra), has supplied goods to Mridul Traders and Kalu Motors Ltd. located in Ahmedabad (Gujarat) and Pune (Maharashtra) respectively. Gulati Ltd. has furnished the following details for the current month:

S. No.	Particulars	Mridul Traders (₹)	Kalu Motors Ltd. (₹)
(i)	Price of the goods (excluding GST)	10,000	30,000
(ii)	Packing charges	500	
(iii)	Commission	500	
(iv)	Weighment charges		2,000
(v)	Discount for prompt payment (recorded in the invoice)		1,000

Items given in points (ii) to (v) have not been considered while arriving at price of the goods given in point (i) above.

Compute the GST liability [CGST & SGST or IGST, as the case may be] of Gulati Ltd. for the given month. Assume the rates of taxes to be as under:

Particulars	Rate of tax
Central tax (CGST)	9%
State Tax (SGST)	9%
Integrated tax (IGST)	18%

Make suitable assumptions, wherever necessary.

**(5 Marks)**

2. (a) Nath Services Limited, registered under GST, is engaged in providing various services to Government. The company provides the following information in respect of services provided during the month of April:

S. No.	Description of Services provided
(i)	Supply of manpower for cleanliness of roads not involving any supply of goods.
(ii)	Service provided by Fair Price Shops owned by Nath Services Limited by way of sale of sugar under Public

	Distribution System against consideration in the form of commission.
(iii)	Service of maintenance of street lights in a Municipal area involving replacement of defunct lights and other spares alongwith maintenance. Generally replacement of defunct lights and other spares constitutes 35% of the supply of service.
(iv)	Service of brochure distribution provided under a training programme for which 70% of the total expenditure is borne by the Government.

Comment on the taxability or otherwise of the above transactions under GST law. Also state the correct legal provisions for the same. **(4 Marks)**

(b) Mr. Shubh, director of Star Company Private Limited, provided service to the company for remuneration of ₹ 1,25,000. Briefly answer whether GST is applicable in the below mentioned independent cases? If yes, who is liable to pay GST?

(i) Mr. Shubh is an independent director of Star Company Private Limited and not an employee of the company.

(ii) Mr. Shubh is an executive director, i.e. an employee of Star Company Private Limited. Out of total remuneration amounting to ₹ 1,25,000, ₹ 60,000 has been declared as salaries in the books of Star Company Private Limited and subjected to TDS under section 192 of the Income-Tax Act (IT Act). However, ₹ 65,000 has been declared separately other than salaries in the Star Company Private Limited's accounts and subjected to TDS under section 194J of the IT Act as professional services. **(6 Marks)**

3. (a) Examine whether the supplier of goods is liable to get registered in the following independent cases:

(i) Om Sai Builders of Rohini, Delhi is exclusively engaged in intra-State taxable supply of building bricks. It's aggregate turnover in the current financial year is ₹ 23 lakh.

(ii) Hukum Chand of Himachal Pradesh is exclusively engaged in intra-State taxable supply of footwear. His turnover in the current financial year (FY) from Himachal Pradesh showroom is ₹ 32 lakh. He has another showroom in Nagaland with a turnover of ₹ 11 lakh in the current FY. **(5 Marks)**

(b) Mr. Mehta is engaged in the business of trading of books. He is eligible for composition scheme and has opted for the same. He seeks your advice for records which are not required to be maintained by him as composition taxable person. **(5 Marks)**

4. (a) An event management company provided services for organizing a sporting event for a Sports Federation which is held in multiple States? What would be the place of supply of services in this case? **(5 Marks)**

Or

- (a) Discuss taxability of shares held in a subsidiary company by holding company? **(5 Marks)**
- (b) How a return can be revised after filing of the same, if some changes are required to be made? **(5 Marks)**

**Mock Test Paper - Series II: April, 2024**

**Date of Paper: 6 April, 2024**

**Time of Paper: 2 P.M. to 5 P.M.**

**INTERMEDIATE COURSE: GROUP - I**

**PAPER – 3: TAXATION**

**Time Allowed – 3 Hours**

**Maximum Marks – 100**

**SECTION – A: INCOME TAX LAW (50 MARKS)**

*Working Notes should form part of the answer. Wherever necessary, suitable assumptions may be made by the candidates and disclosed by way of a note. However, in answers to Questions in Division A, working notes are not required.*

*The relevant assessment year is A.Y.2024-25.*

**Division A – Multiple Choice Questions**

***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. Mr. Pankaj, an Indian resident, purchased a residential house property at Kanpur on 20.08.1998 for ₹ 20.5 lakhs. The fair market value and the stamp duty value of such house property as on 1.4.2001 was ₹ 28.5 lakhs and ₹ 25 lakhs, respectively. On 05.02.2016, Mr. Pankaj entered into an agreement with Mr. Gyan for the sale of such property for ₹ 61 lakhs and received an amount of ₹ 2.5 lakhs as advance. However, as Mr. Gyan did not pay the balance amount, Mr. Pankaj forfeited the advance.

On 10.05.2023, Mr. Pankaj sold the house property to Mr. Rohan for ₹ 1.50 crores, when the stamp duty value of the property was ₹ 2 crores. Further, he purchased two residential house properties at Delhi and Mumbai for ₹ 57 lakhs each on 28.09.2024. Mr. Pankaj has no other income during the P.Y. 2023-24.

On 31.01.2025, Mr. Pankaj decided to sell the house property at Mumbai to his brother, Mr. Gaurav, for ₹ 58 lakhs, from whom ₹ 25,000 was received in cash on 15.01.2025 as advance for signing the agreement to sale. Sale deed was registered on 30.03.2025 on receipt of the balance amount through account payee cheque from Mr. Gaurav. The stamp duty value of house property at Mumbai on 31.01.2025 and 30.03.2025 was ₹ 61 lakhs and ₹ 64 lakhs, respectively.

Cost inflation index –

P.Y. 2023-24: 348; P.Y. 2015-16: 254; P.Y. 2001-02: 100



Based on the facts of the case scenario given above, choose the most appropriate answer to the following questions:

- (i) What shall be the indexed cost of acquisition of residential house property at Kanpur for computation of capital gains in the hands of Mr. Pankaj?
- (a) ₹ 78,30,000
  - (b) ₹ 87,00,000
  - (c) ₹ 90,48,000
  - (d) ₹ 99,18,000
- (ii) The amount of capital gains taxable for A.Y. 2024-25 in the hands of Mr. Pankaj for sale of residential house property at Kanpur is -
- (a) Nil
  - (b) (₹ 1,00,000)
  - (c) ₹ 63,00,000
  - (d) ₹ 1,13,00,000
- (iii) The amount of capital gains taxable for A.Y. 2025-26 in the hands of Mr. Pankaj for sale of residential house property at Mumbai is -
- (a) ₹ 8 lakhs
  - (b) ₹ 7 lakhs
  - (c) ₹ 4 lakhs
  - (d) ₹ 1 lakh
- (iv) The amount taxable under section 56(2)(x) in the hands of Mr. Gaurav, if any, is -
- (a) Nil
  - (b) ₹ 1 lakh
  - (c) ₹ 3 lakhs
  - (d) ₹ 6 lakhs
- (v) What shall be the tax credit available with Mr. Pankaj with respect to sale of property at Kanpur during P.Y. 2023-24 assuming the tax was fully deducted by Mr. Rohan?
- (a) ₹ 2,00,000
  - (b) ₹ 1,50,000
  - (c) ₹ 1,00,000
  - (d) ₹ 87,000
- (vi) Is Mr. Pankaj required to file his return of income for A.Y. 2024-25?
- (a) Yes, since his total income exceeds the basic exemption limit

- (b) No, since his total income does not exceed the basic exemption limit
- (c) Yes, since tax deducted in his case exceeds ₹ 25,000
- (d) Yes, since his total income before exemption under section 54 exceeds the basic exemption limit **(6 x 2 = 12 Marks)**
2. Mrs. Deepika, wife of Mr. Santosh, started a business of trading in beauty products on 15.7.2023. She invested ₹ 5 lakhs in the business on 15.7.2023 out of gift received from her husband, Mr. Santosh. She invested ₹ 4 lakhs from her own savings on the same date. She earned profits of ₹ 9,00,000 from her business for the financial year 2023-24. Which of the following statements is correct?
- (a) Share of profit of ₹ 9,00,000 is includible in the hands of Mrs. Deepika
- (b) Share of profit of ₹ 5,00,00 is includible in the hands of Mr. Santosh and share of profit of ₹ 4,00,000 is includible in the hands of Mrs. Deepika
- (c) Share of profit of ₹ 4,00,000 is includible in the hands of Mr. Santosh and share of profit of ₹ 5,00,000 is includible in the hands of Mrs. Deepika
- (d) Share of profit of ₹ 9,00,000 is includible in the hands of Mr. Santosh **(2 Marks)**
3. Mr. X, a resident 47 years, has salary income (computed) of ₹ 7,25,000 and agricultural income of ₹ 1,00,000 for the P.Y. 2023-24. Compute his tax liability for A.Y. 2024-25 if he is paying tax under default tax regime under section 115BAC.
- (a) ₹ 26,000
- (b) ₹ 33,800
- (c) Nil
- (d) ₹ 30,160 **(1 Mark)**

### Division B – Descriptive Questions

*Question No. 1 is compulsory.*

*Attempt any **two** questions from the remaining **three** questions.*

1. Mr. Sunil, aged 48 years, a resident Indian has furnished the following particulars for the year ended 31.03.2024:
- (i) He occupies ground floor of his residential building and has let out first floor for residential use at an annual rent of ₹ 2,95,000. He has paid municipal taxes of ₹ 25,000 for the current financial year. Both these floors are of equal size.

- (ii) As per interest certificate from HDFC bank, he paid ₹ 1,50,000 as interest and ₹ 80,000 towards principal repayment of housing loan borrowed for the above residential building in the year 2018.
- (iii) He owns an industrial undertaking established in a SEZ and which had commenced operation during the financial year 2019-20. Total turnover of the undertaking was ₹ 400 lakhs, which includes ₹ 150 lakhs from export turnover. Out of ₹ 150 lakhs, only ₹ 120 lakhs have been received in India in convertible foreign exchange on or before 30.9.2024. This industrial undertaking fulfills all the conditions of section 10AA of the Income-tax Act, 1961. Profit from this industry is ₹ 40 lakhs.
- (iv) He employed 20 new employees for the said industrial undertaking during the previous year 2023-24. Out of 20 employees, 12 were employed on 1<sup>st</sup> May 2023 for monthly emoluments of ₹ 18,000 and remaining were employed on 1<sup>st</sup> September 2023 on monthly emoluments of ₹ 12,000. All these employees participate in recognised provident fund and they are paid their emoluments directly to their bank accounts.
- (v) He earned ₹ 30,000 and ₹ 40,000 as interest on saving bank deposits and fixed deposits, respectively.
- (vi) He also sold his vacant land on 01.12.2023 for ₹ 15 lakhs. The stamp duty value of land at the time of transfer was ₹ 16 lakhs. This land was acquired by him on 15.10.1998 for ₹ 2.80 lakhs. The FMV of the land as on 1<sup>st</sup> April, 2001 was ₹ 4.8 lakhs and Stamp duty value on the said date was ₹ 4 lakhs. He had incurred registration expenses of ₹ 12,000 at that time.  
The cost of inflation index for the financial year 2023-24 and 2001-02 are 348 and 100, respectively.
- (vii) He paid insurance premium of ₹ 40,000 towards life insurance policy of his son, who is not dependent on him.

You are requested to compute total income and tax liability of Mr. Sunil for the Assessment Year 2024-25, in the manner so that he can make maximum tax savings. **(15 Marks)**

2. (a) Mrs. Sia D'Souza is an American, got married to Mr. Kabir of India in New York on 14.02.2023 and came to India for the first time on 18.03.2023. She left for Australia on 16.08.2023. She returned to India again on 23.03.2024.

On 01.04.2023, she had purchased a Flat in Mumbai, which was let out to Mr. Sameer on a rent of ₹ 26,000 p.m. from 1.6.2023. She had taken loan from an Indian bank for purchase of this flat on which bank had charged interest of ₹ 2,05,000 upto 31.03.2024.

While in India, during the previous year 2023-24, she had received a gold chain from her in laws worth ₹ 1,50,000 and ₹ 1,65,000 from very close friends of her husband.

From the information given above, you are required to determine her the residential status and compute her total income chargeable to tax for the Assessment Year 2024-25 assuming she has shifted out of the default tax regime under section 115BAC. **(6 Marks)**

- (b) Briefly discuss the provisions of tax deduction/collection at source under the Income-tax Act, 1961 and determine the amount, if any, of TDS and TCS in respect of the following payments:
- (i) Mr. Harish bought an overseas tour programme package for Switzerland for himself and his family of ₹ 10 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.
  - (ii) Mr. Aditya pays ₹ 55,00,000 during F.Y. 2023-24 to Mr. Naresh, for supply of labour, for carrying out the construction work of his factory. During the P.Y. 2022-23, Mr. Aditya's turnover was ₹ 95 lakhs. **(4 Marks)**
3. (a) Ms. Priyanka, General Manager of ABC Ltd., Mumbai, furnishes the following particulars for the financial year 2023-24:
- (i) Salary ₹ 40,000 per month
  - (ii) Value of medical facility in a hospital maintained by the company ₹ 10,000
  - (iii) Rent free accommodation owned by the company
  - (iv) Housing loan of ₹ 7,00,000 given on 01.04.2023 at the interest rate of 6% p.a. (No repayment made during the year). The rate of interest charged by State Bank of India (SBI) as on 01.04.2023 in respect of housing loan is 9.5%.
  - (v) A dining table was provided to Ms. Priyanka at her residence. This was purchased on 1.6.2020 for ₹ 60,000 and sold to Ms. Priyanka on 1.5.2023 for ₹ 30,000.
  - (vi) Personal purchases through credit card provided by the company amounting to ₹ 10,000 was paid by the company. No part of the amount was recovered from Ms. Priyanka.
  - (vii) A Maruti Suzuki car which was purchased by the company on 16.7.2021 for ₹ 2,50,000 was sold to the assessee on 14.7.2023 for ₹ 1,60,000.

Other income received by the assessee during the previous year 2023-24:

	Particulars	₹
(a)	Interest on Fixed Deposits with a company	7,000
(b)	Income from specified mutual fund	3,000
(c)	Interest on bank fixed deposits of a minor married daughter	4,000

(viii) Deposit in PPF Account made during the year 2023-24 ₹40,000

Compute the gross total income of Ms. Priyanka for the Assessment year 2024-25 if she exercised the option to shift out of the default tax regime under section 115BAC. **(6 Marks)**

(b) M/s. Ravi & sons, a partnership firm consisting of two partners, reports a net profit of ₹ 7,50,000 before deduction of the following items:

- Salary of ₹ 25,000 each per month payable to two working partners of the firm (as authorized by the deed of partnership)
- Depreciation on plant and machinery under section 32 is ₹ 2,50,000
- Interest on capital 15% per annum (as per the deed of partnership).

The amount of capital eligible for interest is ₹ 6,00,000 for both partners

- Carry forward loss of P.Y. 2022-23 - ₹ 50,000

Compute for A.Y. 2024-25:

- (i) Book-profit of the firm under section 40(b) of the Income-tax Act, 1961.
- (ii) Amount of salary that can be paid to working partners as per section 40(b). **(4 Marks)**

4. (a) The following are the details relating to Mr. Roshan, a resident Indian, relating to the year ended 31.03.2024

Particulars	Amount (₹)
Short term capital gain	1,50,000
Loss from house property [let out property]	2,50,000
Loss from speculative business	50,000
Loss from card games	20,000
Brought forward long term capital loss of A.Y. 2020-21	86,000
Dividend from ABC Ltd.	11,00,000
Loss from tea business	1,06,000

Mr. Roshan's wife, Shamita is employed with Ray Ltd., at a monthly salary of ₹ 25,000, where Mr. Roshan holds 21% of the shares of the company. Shamita is not adequately qualified for the post held by her in Ray Ltd.

You are required to compute taxable income of Mr. Roshan for the A.Y. 2024-25 if he has exercised the option to shift out of the default tax regime under section 115BAC. Ascertain the amount of losses which can be carried forward. **(6 Marks)**

- (b) In the following cases relating to P.Y.2023-24, the total income of the assessee or the total income of any other person in respect of which he/she is assessable under Income-tax Act does not exceed the basic exemption limit. You are required to state with reasons, whether the assessee is still required to file the return of income or loss for A.Y.2024-25 in each of the following independent situations:
- (i) Manish & Sons (HUF) sold a residential house on which there arose a long term capital gain of ₹ 12 lakhs which was invested in Capital Gain Bonds u/s 54EC so that no long term capital gain was taxable.
  - (ii) Samarth has incurred an expenditure of ₹ 1,20,000 towards consumption of electricity, the entire payment of which was made through banking channels. **(4 Marks)**

**OR**

- (b) Briefly mention the provisions of Income-tax Act, 1961 with regard to quoting Aadhaar Number under section 139AA of the Act. **(4 Marks)**

## SECTION B – GOODS AND SERVICES TAX (50 MARKS)

### QUESTIONS

- (i) Working Notes should form part of the answers. However, in answers to Questions in Division A, working notes are not required.
- (ii) Wherever necessary, suitable assumptions may be made by the candidates, and disclosed by way of notes.
- (iii) All questions should be answered on the basis of position of the GST law as amended by provisions of the CGST Act, 2017 and the IGST Act, 2017 as amended by the Finance Act, 2023, including significant notifications and circulars issued, up to 31<sup>st</sup> October, 2023.

### Division A - Multiple Choice Questions (MCQs)

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.

**Total Marks: 15 Marks**

Ecotech Solutions Private Limited is engaged in manufacturing and supply of energy products and solutions across multiple States in India. The Company manufactures solar panels and also imports certain category of solar panels as per the customer orders. The company also provides installation services and annual maintenance contracts for its products.

The Company received an advance payment for a bulk order of goods in March 2024, but the delivery was completed in May 2024. The amount of advance received by the Company was ₹ 1 crore.

During the month of March 2024, the Company sold goods worth ₹ 5 crores and provided services amounting to ₹ 1 crore to its customers across India. The goods worth ₹ 1 crore sold under multiple invoices were returned by a customer due to defective quality in the month of March, 2024 which were originally sold by the Company in December, 2023. The Company issued a GST credit note against the returned goods in March, 2024.

The Company incurred an amount of ₹ 5 lakh on the repair of the returned goods to make them resalable in the market to customers other than a related party.

Further, the customers who returned the goods issued an invoice to Gujarat unit of the Company of ₹ 1 lakh for the expense related to return of goods. The goods were initially sold from the Gujarat unit of the Company but the same were returned to Maharashtra unit of the Company and subsequently moved by the Company from Maharashtra unit to Gujarat Unit i.e. the original place of supply. The Company is registered under GST in both the States i.e. Gujarat and Maharashtra.

Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. 1 to 6 below:-

1. At what point of time, tax will be payable in relation to the advance received by the Company of ₹ 1 crore?
  - (a) The tax is payable at the time of receipt of advance.

- (b) The tax is payable at the time of supply of goods.
- (c) 50% of tax is payable at the time of receipt of advance.
- (d) Tax is payable at the time of issuance of receipt voucher.
2. The total amount of supply during the month of March, 2024 to be reported in GSTR -1 by the Company is \_\_\_\_\_.
- (a) ₹ 1 crore
- (b) ₹ 5 crores
- (c) ₹ 6 crores
- (d) ₹ 7 crores
3. Which of the following options is correct in relation to the returned goods of value ₹ 1 crore ?
- (a) Company has an option to issue single credit note against multiple invoices.
- (b) Company has to mandatorily issue credit note against each invoice.
- (c) The Company cannot issue credit note in any subsequent period after the supply is made.
- (d) The Company can only issue a commercial credit note and GST adjustment cannot be made.
4. In case returned goods are sold by the Company to customers other than the related parties, the value of supply of such goods under GST shall be \_\_\_\_\_.
- (a) equivalent to original value of supply only.
- (b) equivalent to original value of supply plus the cost incurred on making the goods reusable
- (c) 110% of original value of supply plus the cost incurred on making the goods reusable.
- (d) transaction value subject to the conditions mentioned in Section 15(2) of the CGST Act, 2017.
5. Which of the following option(s) is correct in relation to the invoice of 1 lakh issued by the customer for the expenses relating to returned goods?
- (a) The Company shall be eligible to avail full input tax credit.
- (b) The Company shall not be allowed to avail input tax credit.
- (c) The Company shall not be allowed to avail input tax credit in excess of 50% of the tax amount charged on such invoice.
- (d) The Company shall be allowed to claim input tax credit only if it has not issued any credit note to the customer against such returned goods.
6. While moving the goods from Maharashtra unit to Gujarat unit by the Company, goods shall be accompanied by \_\_\_\_\_.
- (a) Original invoice issued in December, 2023



- (b) Invoice issued by the returning customer to the Gujarat unit of the Company
- (c) Invoice by Maharashtra unit to the Gujarat unit of the Company
- (d) Delivery challan issued by the Customer to the Company.

**(6 x 2 Marks = 12 Marks)**

7. Mr. Jambulal of Himachal Pradesh starts a new business and makes following supplies in the first month-

- (i) Intra-State supply of taxable goods amounting to ₹ 17 lakh
- (ii) Supply of exempted goods amounting to ₹ 1 lakh
- (iii) Inter-State supply of taxable goods amounting to ₹ 1 lakh

Whether he is required to obtain registration?

- (a) Mr. Jambulal is liable to obtain registration as the threshold limit of ₹ 10 lakh is crossed.
- (b) Mr. Jambulal is not liable to obtain registration as he makes exempted supplies.
- (c) Mr. Jambulal is liable to obtain registration as he makes the inter-State supply of goods.
- (d) Mr. Jambulal is not liable to obtain registration as the threshold limit of ₹ 20 lakh is not crossed. **(2 Marks)**

8. Simmo Singh, a resident of Punjab, is having a residential property in Amritsar, Punjab which has been given on rent to a family for ₹ 72 lakh per annum for residence purposes. Determine whether Simmo Singh is liable to pay GST on such rent.

- (a) Yes, as services by way of renting is taxable supply under GST.
- (b) No, service by way of renting of residential property is exempt.
- (c) No, service by way of renting of residential property does not constitute supply.
- (d) Simmo Singh, being individual, is not liable to pay GST. **(1 Mark)**

### **Division B - Descriptive Questions**

**Question No. 1 is compulsory.**

**Attempt any two questions out of remaining three questions.**

**Total Marks:35 Marks**

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

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

**Note:**

- (i) Rates of CGST, SGST and IGST are 9%, 9% and 18% respectively.
- (ii) All inward and outward supplies are exclusive of taxes, wherever applicable.
- (iii) All the conditions necessary for availing the ITC have been fulfilled.
- (iv) The turnover of Mr. Nandan lal was ₹ 2.5 crore in the previous financial year.
- (v) All the transactions mentioned above are intra-State unless otherwise specified.

Compute the net GST payable in cash, by Mr. Nandan lal for the month of February. **(10 Marks)**

- (b) LSP Ltd., a registered supplier, sold a machine to Balwant Ltd. It provides the following information in this regard: -

S. No.	Particulars	Amount (₹)
(i)	Price of the machine [excluding taxes and other charges mentioned at S. Nos. (ii) and (iii)]	20,000
(ii)	Third party inspection charges	6,000

	[Such charges were payable by LSP Ltd. but the same have been directly paid by Balwant Ltd. to the inspection agency. These charges were not recorded in the invoice issued by LSP Ltd.]	
(iii)	Freight charges for delivery of the machine [LSP Ltd. has agreed to deliver the goods at Balwant Ltd.'s premises]	1,000
(iv)	Subsidy received from the State Government on sale of machine under Skill Development Programme [Subsidy is directly linked to the price]	5,000
(v)	Discount of 2% is offered to Balwant Ltd. on the price mentioned at S. No. (i) above and recorded in the invoice	

Note: Price of the machine is net of the subsidy received.

Determine the value of taxable supply made by LSP Ltd. to Balwant Ltd.

**(5 Marks)**

2. (a) State the person liable to pay GST in the following independent services provided:

(i) Sapna Builders, registered in Haryana, rented out 20 residential units owned by it in Jain Society to Anant Technologies, an IT based company registered in the State of Haryana, for accommodation of its employees.

(ii) M/s. Verma Consultants, a partnership firm registered in Delhi as a regular tax payer, paid sponsorship fees of ₹ 1,50,000 at a seminar organized by a private NGO (a partnership firm) in Delhi.

**(4 Marks)**

(b) "Little Smiles", a photography firm, has commenced providing photoshoot services in Delhi from the beginning of current financial year 2023-2024. It has provided the following details of turnover for the various quarters till December, 2023 :-

S. No.	Quarter	Amount (₹ in lakh)
1	April,2023-June,2023	20
2	July,2023-September,2023	30
3	October,2023-December,2023	40

You may assume the applicable tax rate as 18%. Little Smiles wishes to pay tax at a lower rate and opts for the composition scheme. You are required to advise whether it can do so and calculate the amount of tax payable for each quarter?

**(6 Marks)**

3. (a) Mr. Sohan, a trader registered under GST in Delhi is engaged in wholesale business of toys for kids. Mr. Roshan registered under GST in Patiala, a regular return filer supplies toys in bulk to Mr. Sohan for selling to end consumers.

Mr. Sohan paying tax in regular scheme in Delhi, has not filed GSTR-3B for last 2 months. Mr. Roshan wants to generate e-way bill for toys amounting to ₹ 5,00,000 to be supplied to Mr. Sohan. Also Mr. Mohan from Jammu approached Mr. Sohan for purchasing toys amounting to ₹ 75,000 for the purpose of return gift on his son's first birthday party. Sohan wants to generate an e-way bill in respect of an outward supply of goods to Mr. Mohan.

Examine with reference to the provisions under GST law, whether Mr. Roshan and Mr. Sohan can generate e-way bill? **(5 Marks)**

- (b) Mr. Raj of Rajasthan intends to start business of supply of building material to various construction sites in Rajasthan. He has taken voluntary registration under GST in the month of April. However, he has not commenced the business till December due to lack of working capital. The proper officer *suo-motu* cancelled the registration of Mr. Raj. You are required to examine whether the action taken by proper officer is valid in law?

Mr. Raj has applied for revocation of cancellation of registration after 40 days from the date of service of the order of cancellation of registration. Department contends that application for revocation of cancellation of registration can only be made within 30 days from the date of service of the order of cancellation of registration. You are required to comment upon the validity of contentions raised by Department. **(5 Marks)**

4. (a) Discuss briefly the place of supply of goods purchased over the counter in one State and transported to another State by the buyer. **(5 Marks)**

Or

- (a) What would be the place of supply of services provided by an event management company for organizing a sporting event for a Sports Federation which is held in multiple States? **(5 Marks)**

- (b) Discuss whether the amount available in the electronic credit ledger can be used for making payment of any tax under the GST Laws?

**(5 Marks)**

**Mock Test Paper - Series I: July, 2024**

**Date of Paper: 31<sup>st</sup> July, 2024**

**Time of Paper: 2 P.M. to 5 P.M.**

**INTERMEDIATE COURSE: GROUP - I**

**PAPER – 3: TAXATION**

**Time Allowed – 3 Hours**

**Maximum Marks – 100**

**SECTION – A: INCOME TAX LAW (50 MARKS)**

*Working Notes should form part of the answer. Wherever necessary, suitable assumptions may be made by the candidates and disclosed by way of a note. However, in answers to Questions in Division A, working notes are not required.*

*The relevant assessment year is A.Y.2024-25.*

**Division A – Multiple Choice Questions**

**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. Mr. Rudra is engaged in the business of trading since 2018. His turnover for the P.Y. 2022-23 was ₹ 6 crores. His minor daughter's marriage is fixed in December, 2023. He planned destination wedding in Goa for his minor daughter. For the wedding, he withdrew ₹ 40,00,000 cash in the month of September, 2023 and ₹ 65,00,000 cash in the month of October, 2023 from Hamara Paisa Bank.

He booked 30 rooms for 5 days for the accommodation of his relatives in Raho Hotel and paid ₹ 40,000 in cash as advance and balance by account payee cheque. He took the catering services of Tasty Caterers, a sole Proprietor, for the wedding for which he paid ₹ 10,20,000 on 15.10.2023. For her wedding, he gifted his daughter a house property, purchased from SK Builders on 10.10.2023 by account payee cheque for ₹ 15,00,000. The stamp duty value of the property on 10.10.2023 is ₹ 16,00,000 and on the date of transfer to minor daughter is ₹ 20,00,000.

Mr. Rudra paid ₹ 45,000 in cash and balance in cheque to travel agent for the return ticket of some of his relatives to US. He regularly files his return of income.

Based on the above information, choose the most appropriate option of the following Multiple Choice Questions (MCQs):-

- (i) The amount of tax to be deducted by Hamara Paisa Bank on cash withdrawals by Mr. Rudra is -
- (a) ₹ 10,000
- (b) ₹ 25,000

(c) ₹ 1,70,000

(d) ₹ 1,85,000

**(2 Marks)**

(ii) The amount of tax to be deducted by Mr. Rudra on payment made to Tasty Caterers is -

(a) ₹ 10,200

(b) ₹ 20,400

(c) ₹ 51,000

(d) Nil

**(2 Marks)**

(iii) What shall be the amount taxable and in whose hands with respect to purchase of immovable property by Mr. Rudra from SK Builders and gift of the same to his daughter?

(a) ₹ 1,00,000 in the hands of Mr. Rudra and ₹ 20,00,000 in the hands of minor daughter

(b) Nothing is taxable in the hands of Mr. Rudra and Minor daughter

(c) ₹ 1,00,000 in the hands of Mr. Rudra and nothing is taxable in the hands of minor daughter

(d) Nothing is taxable in the hands of Mr. Rudra but ₹ 20,00,000 is taxable in the hands of minor daughter

**(2 Marks)**

2. Mr. Mayank had bought a residential house worth ₹ 2.5 crores at South Extension, Delhi in 2018 and let out the house on rent to Mr. Rihaan. The property was funded through loan from PNB. The interest due for F.Y. 2023-24 to PNB is ₹ 25 lakhs, out of which he paid only ₹ 20 lakhs during the year. Mr. Mayank then took a loan of ₹ 1.5 crores from SBI on 1.7.2023 for construction of first floor in that house for self-occupation. The construction is in progress as on 31.3.2024. Mr. Mayank started repaying EMIs due to SBI. During the P.Y. 2023-24, he repaid principal amount of ₹ 25 lakhs and ₹ 5 lakhs to PNB and SBI, respectively. He also paid interest of ₹ 8 lakhs to SBI out of ₹ 10 lakhs, being interest due for the period from 1.7.2023 to 31.3.2024.

Mr. Mayank owns another house in Haryana. He transferred that house to his minor daughter Miss Sia on her birthday as her birthday gift. Miss Sia gave the said house to the local Panchayat from September, 2023 at a rent of ₹ 5,000 per month. Mrs. Mayank's total income for A.Y.2024-25 is higher than that of Mr. Mayank. This is the first year when Miss Sia has any source of income.

Mr. Mayank bought electric vehicle worth ₹ 50 lakhs on loan from BSM Bank which it sanctioned on 1.4.2022. BSM Bank charged interest of ₹ 7 lakhs on electric vehicle for the P.Y.2023-24. Mr. Mayank has also taken loan from ABC Bank for his daughter's higher education. He paid ₹ 50,000 as interest to ABC Bank. He also paid mediclaim of ₹ 20,000 to New India Assurance Scheme for insuring his health.

From the information given above, choose the most appropriate answer to the following questions -

- (i) What is the amount of interest allowable as deduction u/s 24 to Mr. Mayank for A.Y.2024-25?
- (a) ₹ 2 lakhs  
 (b) ₹ 25 lakhs  
 (c) ₹ 28 lakhs  
 (d) ₹ 35 lakhs **(2 Marks)**
- (ii) What is the amount of deduction permissible to Mr. Mayank under Chapter VI-A of Income-tax Act, 1961 for A.Y. 2024-25 if he has opted out of the default tax regime?
- (a) ₹ 1,70,000  
 (b) ₹ 2,20,000  
 (c) ₹ 3,70,000  
 (d) ₹ 9,20,000 **(2 Marks)**
- (iii) In whose hands would Sia's rental income from house property at Haryana be taxable and how much income would be taxable?
- (a) In Sia's hands; ₹ 24,500  
 (b) In Mr. Mayank's hands; ₹ 24,500  
 (c) In Mrs. Mayank's hands; ₹ 23,000  
 (d) It would change every year depending on the parent whose income is higher in that year. **(2 Marks)**

3. Mr. Arpan (aged 35 years) submits the following particulars for the purpose of computing his total income:

Particulars	₹
Income from salary (computed)	4,00,000
Loss from let-out house property	(-) 2,20,000
Brought forward loss from let-out house property for the A.Y. 2023-24	(-)2,30,000
Business loss	(-)1,00,000
Bank interest (FD)	80,000

Compute the total income of Mr. Arpan for the A.Y.2024-25 and the amount of loss that can be carried forward for the subsequent assessment year under normal provisions of the Act?

- (a) Total income ₹ 2,00,000 and loss from house property of ₹ 2,50,000 and business loss of ₹ 20,000 to be carried forward to subsequent assessment year.

- (b) Total income ₹ 1,60,000 and loss from house property of ₹ 2,30,000 to be carried forward to subsequent assessment year.
- (c) Total income ₹ 4,00,000 and business loss of ₹ 20,000 to be carried forward to subsequent assessment year.
- (d) Total income is Nil and loss from house property of ₹ 70,000 to be carried forward to subsequent assessment year. **(2 Marks)**
4. Mr. Raja, aged 64 years, was not able to provide satisfactory explanation to the Assessing Officer for the investments of ₹ 7 lakhs not recorded in the books of accounts. What shall be the tax payable by him on the value of such investments considered to be deemed income as per section 69?
- (a) ₹ 2,18,400
- (b) ₹ 55,000
- (c) ₹ 5,46,000
- (d) ₹ 54,600 **(1 Mark)**

### Division B – Descriptive Questions

*Question No. 1 is compulsory.*

*Attempt any **two** questions from the remaining **three** questions.*

1. Mr. Ayush, a resident individual, aged 54 years, is engaged in the business of manufacturing textiles. He earned profit of ₹ 82,45,000 as per profit and loss account after debiting and crediting the following items:
- (i) Depreciation ₹ 15,40,000
- (ii) Short term capital gains on transfer of listed equity shares in a company on which STT is paid ₹ 10,00,000
- (iii) He received income-tax refund of ₹ 15,550 which includes interest on refund of ₹ 4,550.
- (iv) Dividend income from Indian companies ₹ 15,00,000. Dividend received from each company is less than ₹ 5,000.

#### **Additional information –**

- (i) Mr. Ayush installed new plant and machinery for ₹ 65 lakhs on 1.10.2023 which was put to use on 1.1.2024. Depreciation (including additional depreciation) on this amount of ₹ 65 lakhs is included in the depreciation debited to profit and loss account which has been computed as per Income-tax Rules, 1962.
- (ii) Mr. Ayush took a loan from SBI of ₹ 50 lakhs on 1.9.2023 @10.5% p.a. to purchase such plant and machinery. Total interest upto 31.3.2024 has been paid on 31.3.2024 and the same has been debited to profit and loss account.
- (iii) Advance tax paid during the year is ₹17,50,000



- (iv) Ayush purchased goods for ₹ 40 lakhs from Mr. Ram, his brother. The market value of the goods is ₹ 35 lakhs.
- (v) He paid ₹ 40,000 as life insurance premium taken on the life of his married daughter who is not dependent on him. The sum assured is ₹ 5,00,000 and the policy was taken on 1.4.2016.
- (vi) He paid ₹ 45,000 by cheque towards health insurance policy covering himself, his spouse and his children.
- (vii) On 1.7.2023, Mr. Ayush withdrew ₹ 1.5 crores in cash from three current accounts maintained by him with SBI. There are no other withdrawals during the year. He regularly files his return of income.

You are required to compute the total income and tax payable by Mr. Ayush for the A.Y. 2024-25 assuming that he has shifted out of the default tax regime under section 115BAC. **(15 Marks)**

2. (a) Miss Geeta, a citizen of India, got married to Mr. Peter of Australia and left India for the first time on 20.8.2023. She has not visited India again during the P.Y. 2023-24. She has derived the following income for the year ended 31-3-2024:

	Particulars	₹
(i)	Income from sale of centrifuged latex processed from rubber plants grown in kanyakumari.	1,50,000
(ii)	Income from sale of coffee grown, cured, roasted and grounded in Colombo. Sale consideration was received in Chennai.	5,00,000
(iii)	Income from sale of tea grown and manufactured in West Bengal.	12,00,000
(iv)	Income from sapling and seedling grown in a nursery at Cochin. Basic operations were not carried out by her on land.	2,00,000

You are required to determine the residential status of Miss Geeta and compute the business income and agricultural income of Miss. Geeta for the Assessment Year 2024-25. **(6 Marks)**

- (b) Briefly discuss the provisions of tax deduction at source under the Income-tax Act, 1961 and determine the amount, if any, of TDS in respect of the following payments:
- (i) Mr. Vikas received a sum of ₹ 10,20,000 on 28.02.2024 as premature withdrawal from Employees Provident Fund Scheme before continuous service of 5 years on account of termination of employment due to ill-health.
  - (ii) Indian Bank sanctioned and disbursed a loan of ₹ 12 crores to B Ltd. on 31-12-2023. B Ltd. paid a sum of ₹ 1,20,000 as service fee to Indian Bank for processing the loan application. **(4 Marks)**

3. (a) Mr. Jain and his wife Mrs. Jain are partners in a partnership firm holding 25% share each. During the F.Y. 2023-24, the firm paid ₹ 2,50,000 to each of them as remuneration. Apart from this, they provide you the following information in respect of F.Y. 2023-24:
- (i) Salary received by Mr. Jain from his employer ₹ 12,50,000.
  - (ii) Interest on fixed deposit earned by Mrs. Jain ₹ 14,00,000. (The fixed deposit was opened by using her "Stridhan")
  - (iii) Income of their three minor children Neeta, Meeta and Seeta was ₹ 15,000; ₹ 10,000 and ₹ 2,000 respectively.

You are required to compute the gross total income of Mr. and Mrs. Jain as per the provisions of Income-tax Act for the A.Y. 2024-25 assuming that they have shifted out of the default tax regime.

**(4 Marks)**

- (b) Mr. Ram, an employee of the Central Government is posted at New Delhi. He joined the service on 1<sup>st</sup> February, 2021. Details of his income for the previous year 2023-24, are as follows:
- (i) Basic salary: ₹ 3,80,000
  - (ii) Dearness allowance: ₹ 1,20,000 (40% forms part of pay for retirement benefits)
  - (iii) Both Mr. Ram and Government contribute 20% of basic salary to the pension scheme referred to in section 80CCD.
  - (iv) Gift received by Ram's minor son on his birthday from friend: ₹ 70,000. (No other gift is received by him during the previous year 2023-24)
  - (v) On 25.03.2023, Mr. Ram gifted a sum of ₹ 6,00,000 to Mrs. Ram to start a business by introducing such amount as her capital. On 1<sup>st</sup> April, 2023, her total investments in business was ₹ 10,00,000 which includes ₹ 6,00,000 gifted by Mr. Ram. During the previous year 2023-24, she has loss from such business ₹ 1,30,000.
  - (vi) Mr. Ram deposited ₹ 70,000 in Sukanya Samridhi account on 23.01.2024. He also contributed ₹ 40,000 in an approved annuity plan of LIC to claim deduction u/s 80CCC.
  - (vii) He has taken an educational loan from SBI for his major son who is pursuing MBA course from Gujarat University. He has paid ₹ 15,000 as interest on such loan.

Determine the total income of Mr. Ram for the assessment year 2024-25. Ignore provisions under section 115BAC. **(6 Marks)**

4. (a) Determine the capital gains/loss on transfer of listed equity shares (STT paid both at the time of acquisition and transfer of shares) and units of equity oriented mutual fund (STT paid at the time of transfer of units) for the A.Y.2024-25 and tax, if any, payable thereon, in the following cases, assuming that these are the only transactions covered

under section 112A during the P.Y.2023-24 in respect of these assessees:

- (i) Mr. Shagun purchased 300 shares in A Ltd. on 20.5.2017 at a cost of ₹ 400 per share. He sold all the shares of A Ltd. on 31.5.2023 for ₹ 1200. The price at which these shares were traded in National Stock Exchange on 31.1.2018 is as follows –

Particulars	Amount in ₹
Highest Trading Price	700
Average Trading Price	680
Lowest Trading Price	660

- (ii) Mr. Raj purchased 200 units of equity oriented fund, Fund A on 1.2.2017 at a cost of ₹ 550 per unit. The units were not listed at the time of purchase. Subsequently, units of Fund A were listed on 1.1.2018 on the National Stock Exchange. Mr. Raj sold all the units on 3.4.2023 for ₹ 900 each. The details relating to quoted price on National Stock Exchange and net asset value of the units are given hereunder:

Particulars	Fund A
	Amount in ₹
Highest Trading Price	750 (on 31.1.2018)
Average Trading Price	700 (on 31.1.2018)
Lowest Trading Price	650 (on 31.1.2018)
Net Asset Value on 31.1.2018	800

(4 Marks)

OR

- (a) Mr. Aman has furnished the following particulars relating to payments made and expenditure incurred towards scientific research for the year ended 31.3.2024:

Sl. No.	Particulars	₹ (in lakhs)
(i)	Payment made to AB University, an approved University	15
(ii)	Payment made to Siya College	17
(iii)	Payment made to IIT, Bangalore (under an approved programme for scientific research)	12
(iv)	Machinery purchased for in-house scientific research	25

Compute the deduction available under section 35 of the Income-tax Act, 1961 for A.Y. 2024-25, while computing his income under the head

“Profits and gains of business or profession” under default tax regime under section 115BAC. **(4 Marks)**

(b) Mr. Sailesh is a Marketing Manager in Smile Ltd. From the following information, you are required to compute his income chargeable under the head Salary for assessment year 2024-25.

- (i) Basic salary is ₹ 70,000 per month.
- (ii) Dearness allowance @ 40% of basic salary
- (iii) He is provided health insurance scheme approved by IRDA for which ₹ 20,000 incurred by Smile Ltd.
- (iv) Received ₹ 10,000 as gift voucher on the occasion of his marriage anniversary from Smile Ltd.
- (v) Smile Ltd. allotted 800 sweat equity shares in August 2023. The shares were allotted at ₹ 450 per share and the fair market value on the date of exercising the option by Mr. Sailesh was ₹ 700 per share.
- (vi) He was provided with furniture during September 2019. The furniture is used at his residence for personal purpose. The actual cost of the furniture was ₹ 1,10,000. On 31<sup>st</sup> March, 2024, the company offered the furniture to him at free of cost. No amount was recovered from him towards the furniture till date.
- (vii) Received ₹ 10,000 towards entertainment allowance.
- (viii) Housing Loan@ 4.5% p.a. provided by Smile Ltd., amount outstanding as on 01.04.2023 is ₹ 15 Lakhs. ₹ 50,000 is paid by Mr. Sailesh every quarter towards principal starting from June 2023. The lending rate of SBI for similar loan as on 01.04.2023 was 8%.

(ix) Facility of laptop costing ₹ 50,000

**(6 Marks)**

## SECTION B – GOODS AND SERVICES TAX (50 MARKS)

### QUESTIONS

- (i) Working Notes should form part of the answers. However, in answers to Questions in Division A, working notes are not required.
- (ii) Wherever necessary, suitable assumptions may be made by the candidates, and disclosed by way of notes.
- (iii) All questions should be answered on the basis of position of the GST law as amended by provisions of the CGST Act, 2017 and the IGST Act, 2017 as amended by the Finance Act, 2023, including significant notifications and circulars issued, up to 29<sup>th</sup> February, 2024.

### Division A –Case Scenario based MCQs (15 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.**

Himadri started providing a bouquet of goods and services in the month of April of the current financial year under the regular scheme in the State of Telangana and obtained voluntary registration under GST before starting the business.

In the month of April, she availed the services of construction of a godown for the business from her brother-in-law who was financially dependent on him. She also availed professional consultancy services in April for her business from her son who is a well settled Chartered Accountant in Telangana. Himadri did not pay any consideration for both these services as both of them were her relative/ family member respectively.

In April, she supplied 1,000 packages to Natraj Traders each consisting of a pen holder, a pen and a pencil box at a single price of ₹ 150. Rates of GST for pen holder, pen and pencil box are 5%, 12% and 18% respectively.

She received following payments during the month of May:

- earned ₹ 1,60,000 by providing services as business facilitator to YYZ Bank with respect to accounts in its urban area branch
- earned ₹ 50,000 by providing services by way of renting of residential dwelling for use as a boutique to Supriya, an unregistered person.
- received ₹ 70,000 for supply of manpower for cleanliness of roads, public places, architect services, etc., not involving any supply of goods, to Municipality.

Himadri made supply of taxable Product A during June, details of which are as follows-

- Basic price of Product A before TCS under Income-tax Act, 1961– ₹ 45,000
- Tax collected at source under Income-tax Act, 1961 – ₹ 2,500

- She received a subsidy of ₹ 55,000 from Habitat Foundation Pvt. Ltd. for usage of green energy and the subsidy was linked to the units of green energy and not the aforesaid product.

Himadri provides the following information regarding receipt of inward supplies during July-

- purchased buses (seating capacity of 24 persons) for transportation of her employees from their residence to office and back. Depreciation is claimed on the GST component under the Income tax Act, 1961.
- purchased a truck having GST component of ₹ 1,50,000 for transportation of finished goods. No depreciation claimed on the GST component under the Income tax Act, 1961.
- availed outdoor catering services for a marketing event organised for her prospective customers.

All the amounts given above are exclusive of taxes, wherever applicable. Further, all the supplies referred above are intra-State supplies unless specified otherwise. Conditions necessary for claiming input tax credit (ITC) have been fulfilled subject to the information given above. The opening balance of input tax credit for the relevant tax period of Himadri is Nil.

Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. 1 to 6 below:-

1. Supply of package made by Himadri to Natraj Traders is a \_\_\_\_\_ and is taxable under GST @ \_\_\_\_\_.
  - (a) composite supply; 12%
  - (b) mixed supply; 18%
  - (c) composite supply; 18%
  - (d) mixed supply; 12%
2. Out of payments received by Himadri in month of May, value of exempt supply is \_\_\_\_\_.
  - (a) ₹ 50,000
  - (b) ₹ 70,000
  - (c) ₹ 1,20,000
  - (d) ₹ 1,60,000
3. Compute the value of supply under section 15 of the CGST Act, 2017 made by Himadri in the month of June.
  - (a) ₹ 45,000
  - (b) ₹ 47,500
  - (c) ₹ 48,500

- (d) ₹ 51,000
4. Compute the amount of input tax credit that can be claimed by Himadri in July.
- (a) ₹ 30,000  
(b) ₹ 37,000  
(c) ₹ 1,50,000  
(d) ₹ 1,57,000
5. In respect of services availed by Himadri in April, which of the following is a correct statement?
- (a) Godown construction service availed from her brother-in-law free of cost is considered as a deemed supply.  
(b) Professional service availed from her son free of cost is considered as a deemed supply.  
(c) Neither of the two services availed by her is a deemed supply.  
(d) Both services availed by her are deemed supply.
6. Out of payments received by Himadri in month of May, the value of supply on which tax payable by the recipient under reverse charge is \_\_\_\_\_.
- (a) ₹ 50,000  
(b) ₹ 70,000  
(c) ₹ 1,20,000  
(d) ₹ 1,60,000
- (6 x 2 Marks = 12 Marks)**
7. Suvidha Enterprises issued invoices pertaining to two independent outward supplies, where in one invoice value of supply was understated by ₹ 75,000 and in another invoice, value was overstated by ₹ 45,000. Which of the following is correct in respect of document to be issued by the firm for understatement and overstatement of invoice value?
- (i) Debit note is to be issued for ₹ 75,000.  
(ii) Credit note is to be issued for ₹ 75,000.  
(iii) Debit note is to be issued for ₹ 45,000.  
(iv) Credit note is to be issued for ₹ 45,000.
- (a) (i) & (iii)  
(b) (ii) & (iii)  
(c) (i) & (iv)  
(d) (ii) & (iv)
- (2 Marks)**

8. Riya & Co., a partnership firm, is engaged in retail trade since 1st April. The firm became liable for registration on 1st October. However, it applied for registration on 10th October and was granted certificate of registration on 5th November.

Determine the effective date of registration of Riya & Co.?

- (a) 1<sup>st</sup> April  
 (b) 1<sup>st</sup> October  
 (c) 10<sup>th</sup> October  
 (d) 5<sup>th</sup> November

(1 Mark)

**PART II - Descriptive Questions (35 Marks)**

**Question No. 1 is compulsory.**

**Attempt any two questions out of remaining three questions.**

1. (a) M/s. ABC & Co., a chartered accountancy firm, has its office in Bengaluru. It is registered under GST in the State of Karnataka. In the month of April, it supplied statutory audit services to Dhruv Manufacturers of Karnataka for ₹ 1,20,000. Further, it charged ₹ 1,60,000 for the ITR filing services provided to the recipients located within Karnataka in said month. It also received ₹ 1,80,000 for internal audit services provided to a client registered in Mumbai, Maharashtra. All the amounts are exclusive of GST.

M/s. ABC & Co. has also provided following information regarding the expenses incurred in the month of April for the purpose of providing the taxable services:

Sr. No.	Particulars	CGST (₹)	SGST (₹)
1.	Membership fee of a club (located in Bengaluru) paid for a senior partner of the firm	2,000	2,000
2.	Rent paid to landlord, who is registered in State of Karnataka, for office located in Karnataka (Refer Note below)	3,850	3,850
3.	Professional fee paid to Mr. Jamnadas, a practicing Chartered Accountant, for professional services availed [TDS of ₹ 20,000 is deducted under section 194J of the Income-tax Act, 1961]	18,000	18,000
4.	Air conditioner purchased for office purpose	3,000	3,000



*Note - Landlord did not upload his GSTR-1 within the prescribed time resulting in the GST amount not being reflected in GSTR-2B of M/s. ABC & Co.*

Other suppliers have duly uploaded their GSTR-1 within the prescribed time and GST amount is reflected in GSTR-2B of M/s. ABC & Co.

Compute the net GST payable in cash by M/s. ABC & Co. for the month of April.

Rates of CGST, SGST and IGST are 9%, 9% and 18% respectively assuming that all the remaining conditions of utilisation of ITC are fulfilled. **(10 Marks)**

- (b) Guru Enterprises (Delhi), a registered taxpayer, made a taxable supply to Y Ltd. (Delhi) for a price of ₹ 10,00,000 (excluding any tax or discounts). It received a price linked subsidy of ₹ 1,10,000 from Jiva Enterprises Pvt Ltd. The price of ₹ 10,00,000 is after consideration of such subsidy amount. Further, after delivery of the goods to Y Ltd., Guru Enterprises arranged post-delivery inspection of goods and charged ₹ 10,000 for the same.

In respect of above supply, Guru Enterprises had procured some raw material from X Ltd., for which it owed ₹ 25,000. The said amount was directly paid by Y Ltd. to X Ltd. and was not included in the price of goods of ₹ 10,00,000 mentioned above.

The payment of consideration for above supply was delayed by Y Ltd. Hence, an interest amount of ₹ 20,000 (in lumpsum) was also charged by Guru Enterprises.

The applicable tax rates are - CGST - 6%, SGST - 6% and IGST - 12%. You are required to determine value of taxable supply as well as the applicable tax liability for the above supply transaction. **(5 Marks)**

2. (a) Keshav Ltd., a registered company of Chennai, Tamil Nadu has provided following education related services for the month of October:

Particulars	Amount (₹)
Services of transportation of students, faculty and staff from home to college and back to Galgotian College, (a private college) providing degree courses in BBA, MBA, B.Com., M.Com.	2,50,000
Online monthly magazine containing articles and updates in law to students of Pariksha Law College offering degree courses in LLB and LLM	1,00,000
Housekeeping services to Career Coaching Institute	50,000
Security services to Happy Higher Secondary School for security in school premises	3,25,000
Services of providing breakfast, lunch and dinner to students of Ayushmann Medical College offering degree courses recognized by law in medical field	5,80,000

All the above amounts are exclusive of GST.

Compute the value of taxable supplies of Keshav Ltd. for the month of October with necessary explanations. **(6 Marks)**

- (b) Champak Ltd. avails legal services from a firm of advocates. The firm issues invoice for the services to Champak Ltd. on 17<sup>th</sup> Feb. However, Champak Ltd. was not happy with the services provided by the firm as its legal case was not handled by the firm in a professional manner and it resulted in the company losing the case. The company delayed the payment to the firm and finally made the payment on 3<sup>rd</sup> November.

Determine the time of supply of the legal services provided by the firm of advocates to Champak Ltd. **(4 Marks)**

3. (a) Answer the following questions:

(i) Mr. Jagmag is a registered dealer in Kerala paying tax under composition levy from 1<sup>st</sup> April. However, he opts to pay tax under regular scheme from 1st December. Is he liable to file GSTR-4 for the said financial year during which he opted out of composition scheme? **(3 Marks)**

(ii) Mrs. Gargi, a registered dealer in Rajasthan, did not file GSTR-3B for the month of June, but she wants to file GSTR-3B for the month of July. Is it possible? Answer with reference to section 39 of the CGST Act, 2017. **(2 Marks)**

- (b) Can a chartered accountant become a GST practitioner (GSTP)? Discuss. **(5 Marks)**

4. (a) What would be the place of supply of services provided by an event management company for organizing an event which is held in multiple States? **(5 Marks)**

**OR**

- (a) Services provided by an entity registered under section 12AB of the Income-tax Act, 1961 are exempt from GST if such services are provided by way of charitable activities. Elaborate the term 'charitable activities'. **(5 Marks)**

(b) (i) List the details of outward supplies which can be furnished using Invoice Furnishing Facility (IFF). **(2 Marks)**

(ii) Which are the commodities which have been kept outside the purview of GST? Examine the status of taxation of such commodities after introduction of GST. **(3 Marks)**

Mock Test Paper - Series II: August, 2024

Date of Paper: 20<sup>th</sup> August, 2024

Time of Paper: 2 P.M. to 5 P.M.

**INTERMEDIATE COURSE: GROUP - I**

**PAPER – 3: TAXATION**

**Time Allowed – 3 Hours**

**Maximum Marks – 100**

**SECTION – A: INCOME TAX LAW (50 MARKS)**

*Working Notes should form part of the answer. Wherever necessary, suitable assumptions may be made by the candidates and disclosed by way of a note. However, in answers to Questions in Division A, working notes are not required.*

*The relevant assessment year is A.Y.2024-25.*

**Division A – Multiple Choice Questions**

**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. Mr. Sambhav (aged 48 years) furnishes the following particulars for the previous year 2023-24 in respect of an industrial undertaking established in "Special Economic Zone" in March 2018. It began manufacturing in April 2018.

Particulars	(₹)
Total sales	85,00,000
Export sales [proceeds received in India by 30.9.2024]	45,00,000
Domestic sales	40,00,000
Profit from the above undertaking	20,00,000

Export Sales of F.Y. of 2023-24 include freight and insurance of ₹ 5 lakhs for delivery of goods outside India.

He received rent of ₹ 30,000 per month for a commercial property let out to Mr. Akash, a salaried individual. He earned interest on savings bank A/c of ₹ 15,000 and interest on Post Office savings A/c of ₹ 7,000 during the P.Y. 2023-24.

Mr. Sambhav has shifted out of the default tax regime under section 115BAC.

Based on the facts of the case scenario given above, choose the most appropriate answer to the following questions: **(3 x 2 Marks)**

- (i) Compute the amount of export turnover and total turnover for purpose of computing deduction under section 10AA for A.Y. 2024-25.
- (a) ₹ 45,00,000 and ₹ 85,00,000, respectively

- (b) ₹ 40,00,000 and ₹ 80,00,000, respectively  
 (c) ₹ 45,00,000 and ₹ 80,00,000, respectively  
 (d) ₹ 40,00,000 and ₹ 85,00,000, respectively
- (ii) Compute the amount of deduction available to Mr. Sambhav under section 10AA for A.Y. 2024-25.  
 (a) ₹ 10,00,000  
 (b) ₹ 4,70,577  
 (c) ₹ 5,62,500  
 (d) ₹ 5,00,000
- (iii) Compute the total income of Mr. Sambhav for A.Y. 2024-25.  
 (a) ₹ 17,60,500  
 (b) ₹ 12,60,500  
 (c) ₹ 18,72,000  
 (d) ₹ 17,64,000
2. Mr. Anshul, aged 54 years, an Indian citizen, is working as Assistant Manager in ABC India Ltd. He is getting basic salary of ₹ 58,000 per month. He used to travel frequently out of India for his office work. He left India from Delhi Airport on 5<sup>th</sup> October, 2023 and returned to India on 2<sup>nd</sup> April, 2024.

For previous year 2023-24, following information are relevant;

- (a) Dearness Allowance - 10% of Basic Pay (considered for retirement purposes)  
 (b) Bonus - ₹ 98,000  
 (c) Medical allowance paid during P.Y. 2023-24 amounting to ₹ 60,000  
 (d) He was also reimbursed medical bill of his mother amounting to ₹ 15,000.  
 (e) He was also reimbursed salary of house servant of ₹ 4,000 per month.  
 (f) Professional tax paid by employer amounting to ₹ 2,400.  
 (g) 400 equity shares allotted by ABC India Ltd. at the rate of ₹ 250 per share against fair market value of share of ₹ 350 on the date of exercise of option.  
 (h) Mr. Anshul has exercised the option to shift out of the default tax regime under section 115BAC.

Based on the facts of the case scenario given above, choose the most appropriate answer to the following questions: **(3 x 2 Marks)**

- (i) What is Mr. Anshul's residential status for the A.Y. 2024-25?  
 (a) Resident but can't determine resident and ordinarily resident or resident but not ordinarily resident from the given information

- (b) Non-Resident
  - (c) Resident but not ordinarily resident
  - (d) Resident and ordinarily resident
- (ii) What are his taxable perquisites for A.Y. 2024-25?
- (a) ₹ 55,000
  - (b) ₹ 90,400
  - (c) ₹ 1,05,400
  - (d) ₹ 1,03,000
- (iii) What is the income chargeable under the head "Salaries" in the hands of Mr. Anshul for A.Y. 2024-25?
- (a) ₹ 9,76,600
  - (b) ₹ 9,86,600
  - (c) ₹ 9,71,600
  - (d) ₹ 9,61,600
3. Mr. Ross, an Australian citizen, is employed in the Indian embassy in Australia. He is a non-resident in India for A.Y. 2024-25. He received salary and allowances in Australia from the Government of India for the year ended 31.03.2024 for services rendered by him in Australia. In addition, he was allowed perquisites by the Government. Which of the following statements are correct?
- (a) Salary, allowances and perquisites received outside India are not taxable in the hands of Mr. Ross, since he is non-resident
  - (b) Salary, allowances and perquisites received outside India by Mr. Ross are taxable in India since they are deemed to accrue or arise in India
  - (c) Salary received by Mr. Ross is taxable in India but allowances and perquisites are exempt
  - (d) Salary received by Mr. Ross is exempt in India but allowances and perquisites are taxable **(2 Marks)**
4. Which of the following returns can be revised under section 139(5)?
- (i) A return of income filed u/s 139(1)
  - (ii) A belated return of income filed u/s 139(4)
  - (iii) A return of loss filed u/s 139(3)
- Choose the correct answer:
- (a) Only (i)
  - (b) Only (i) and (ii)
  - (c) Only (i) and (iii)
  - (d) (i), (ii) and (iii) **(1 Mark)**

## Division B – Descriptive Questions

*Question No. 1 is compulsory.*

*Attempt any **two** questions from the remaining **three** questions.*

1. Ms. Farah, aged 40 years, is an advocate (Taxation). She keeps her books of accounts on accrual basis. Her profit & loss account for the year ended on March 31, 2024 is as follows:

### Profit & Loss Account for the year ending March 31, 2024

	AMOUNT (₹)			AMOUNT (₹)
Staff salary	40,10,000	Fees Earned from:		
Rent	9,00,000	Taxation services	50,00,000	
Administrative expenses	6,50,000	Appeals	16,00,000	
Incentives to office staff	2,00,000	Consultancy	15,00,000	81,00,000
Meetings, Seminars and conferences	1,70,000	Dividend from an Indian company (gross)		11,00,000
Purchase of car (for official use) on 01.07.2023	3,00,000	Interest on deposit certificates issued under gold monetization scheme, 2015		25,000
Repairs and Maintenance of car	35,000	Honorarium received for valuation of answer papers		50,000
Travelling Expenses	5,00,000	Rent received in respect of house property		90,000
Municipal tax paid in respect of house property	9,000			
Net profit	<u>25,91,000</u>			
	<b>93,65,000</b>			<b>93,65,000</b>

#### Other information:

- (i) Administrative expenses include ₹ 50,000 paid to a tax consultant in cash for assisting Ms. Farah in one of the professional assignments.
- (ii) The traveling expenses include expenditure incurred on foreign professional tour of ₹ 50,000 which was within the RBI norms.
- (iii) Ms. Farah paid medical insurance premium for her parents (senior citizens and not dependent on her) online amounting ₹ 47,000. She also paid ₹ 8,500 by cash towards preventive health check-up for herself and her spouse.
- (iv) Repairs and maintenance of car is for the period from 1-10-2023 to 30-09-2024.

- (v) She has paid ₹ 1,00,000 towards advance tax during the P.Y. 2023-24. Compute Total Income and Net tax payable as per the most beneficial taxation scheme for Ms. Farah for the A.Y. 2024-25. **(15 Marks)**
2. (a) Sagar, a Chartered Accountant, is presently working in a firm in India. He has received an offer for the post of Chief Financial Officer from a company at New York. As per the offer letter, he should join the company at any time between 1st September, 2023 and 31st October, 2023. He approaches you for your advice on the following issues to mitigate his tax liability in India:
- (i) Date by which he should leave India to join the company;
  - (ii) Direct credit of part of his salary to his bank account in Delhi maintained jointly with his mother to meet requirement of his family. **(6 Marks)**
- (b) Briefly discuss the provisions of tax deduction/collection at source under the Income-tax Act, 1961 and determine the amount, if any, of TDS and TCS in respect of the following payments:
- (i) Mr. Deepak wishes to purchase a residential house costing ₹ 60 lakhs from Ms. Priya. The house is situated at Chennai and its stamp duty value is ₹ 65 lakhs. He also wants to purchase agricultural lands in a rural area for ₹ 65 lakhs. Both the buyer as well as the sellers are residents in India.
  - (ii) ABC & Co., a partnership firm is having a car dealership showroom – 2. They have purchased cars for ₹ 2 crores from XYZ Ltd., car manufacturers, the cost of each car being more than (₹12 lakhs). They sell the cars to individual buyers at a price yielding 10% margin on cost. Turnover of ABC & Co. and XYZ Ltd. was less than ₹ 10 crores during the P.Y. 2022-23. **(4 Marks)**
3. (a) Mr. Kamal, a resident but not ordinarily resident in India during the Assessment Year 2024-25. He owns two houses, one in Dubai and the other in Mumbai. The house in Dubai is let out there at a rent of DHS 20,000 p.m. (1DHS=INR 22). The entire rent is received in India. He paid property tax of DHS 2,500 and Sewerage Tax DHS 1,500 there, for the Financial Year 2023-24. The house in Mumbai is self-occupied. He had taken a loan of ₹ 10,00,000 to construct the house on 1<sup>st</sup> June, 2020 @12%. The construction was completed on 31<sup>st</sup> May, 2022 and he occupied the house on 1<sup>st</sup> June, 2022. The entire loan is outstanding as on 31<sup>st</sup> March, 2024. Property tax paid in respect of the second house is ₹ 2,400 for the Financial Year 2023-24. Compute the income chargeable under the head "Income from House property" in the hands of Mr. Kamal for the Assessment Year 2024-25 under regular provisions of the Act. **(5 Marks)**
- (b) Mr. Ashish entered into an agreement with Mr. Dhaval to sell his residential house located at Navi Mumbai on 16.08.2023 for ₹ 80,00,000.

The sale proceeds was to be paid in the following manner;

- (i) 20% through account payee bank draft on the date of agreement.
- (ii) 60% on the date of the possession of the property.
- (iii) Balance after the completion of the registration of the title of the property.

Mr. Dhaval was handed over the possession of the property on 15.12.2023 and the registration process was completed on 14.01.2024. He paid the sale proceeds as per the sale agreement.

The value determined by the Stamp Duty Authority on 16.08.2023 was ₹ 90,00,000 whereas on 14.01.2024 it was ₹ 91,50,000.

Mr. Ashish had acquired the property on 01.04.2001 for ₹ 20,00,000. After recovering the sale proceeds from Dhaval, he purchased another residential house property in Kanpur for ₹ 15,00,000.

Compute the income under the head "Capital Gains" for the Assessment Year 2024-25.

Cost Inflation Index for Financial Year(s)

2001-02 - 100

2023-24 - 348

**(5 Marks)**

4. (a) Mr. Mohit submits the following information for the previous year 2023-24:

		(Amount in ₹)
(i)	Income from salary	6,50,000
(ii)	Income from House-I	55,000
(iii)	Loss from House-II (self-occupied property)	1,25,000
(iv)	Loss from House-III	190,000
(v)	Loss from leather business	68,000
(vi)	Profit from cloth business	1,70,000
(vii)	Short term capital loss in equity-oriented funds on which STT was paid	35,000
(viii)	Income from crossword puzzles	12,000
(ix)	Dividend from foreign company (Gross)	8,500
(x)	Loss on owning and maintenance of race horses	7,500
(xi)	Income from owning and maintenance of race bulls	9,000

Compute the gross total income and losses to be carried forward of Mr. Mohit for assessment year 2024-25 under regular provisions of the Act. Mr. Mohit has filed his return of income on 25.07.2024. **(6 Marks)**



- (b) What are the consequences of failure to intimate Aadhar Number. Is there any fee for such default? **(4 Marks)**

**OR**

- (b) (i) What is the fee for default in furnishing return of income u/s 234F?
- (ii) To whom the provisions of section 139AA relating to quoting of Aadhar Number do not apply? **(4 Marks)**

## SECTION B – GOODS AND SERVICES TAX (50 MARKS)

### QUESTIONS

- (i) Working Notes should form part of the answers. However, in answers to Questions in Division A, working notes are not required.
- (ii) Wherever necessary, suitable assumptions may be made by the candidates, and disclosed by way of notes.
- (iii) All questions should be answered on the basis of position of the GST law as amended by provisions of the CGST Act, 2017 and the IGST Act, 2017 as amended by the Finance Act, 2023, including significant notifications and circulars issued, up to 29<sup>th</sup> February, 2024.

#### Division A - Multiple Choice Questions (MCQs)

**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.**

**Total Marks: 15 Marks**

M/s. Maahi & Co., a LLP registered dealer under GST, is engaged in various types of business activities.

It provided GTA services to Government Department, registered under GST for providing various services. Maahi & Co. did not exercise the option to pay GST.

The firm provided services of Direct Selling Agency (DSA Services) to a Banking Company located in Mumbai.

The firm provided free gift to each of its employees valuing ₹ 50,000 once in a financial year.

M/s Maahi & Co let out its warehouse to Mr. Shankar, who in turn let out to an agriculturist for warehousing of agricultural produce. The firm also undertakes catering service to “Vishwas” Anganwadi. The said Anganwadi has received fundings from Government.

The firm purchased following goods during the month of July:-

- (a) Capital goods amounting to ₹ 45,000 purchased on which depreciation has been taken on full value including GST paid thereon.
- (b) Raw materials purchased amounting to ₹ 55,000 for which invoice is missing but delivery challan is available.

Further, for the month of July, the GST liability of the firm was ₹ 20,000 IGST; ₹ 10,000 CGST; ₹ 10,000 SGST. The following credits were available in the said month-

IGST: ₹ 8,000

CGST: ₹ 12,000

SGST: ₹ 5,000

All the amounts given above are exclusive of taxes, wherever applicable. All the supply referred above is intra-State unless specified otherwise. Conditions for availing ITC are fulfilled subject to the information given above.

Based on the information provided above, choose the most appropriate answer for the following questions-

1. Choose the correct statement(s).
  - (i) For GTA services, Government is liable to pay GST under reverse charge
  - (ii) For DSA services, Banking Company is liable to pay GST under reverse charge
  - (iii) For GTA services, Maahi & Co is liable to pay GST under forward charge
  - (iv) For DSA services, Maahi & Co is liable to pay GST under forward charge
  - (a) i & ii
  - (b) iii & iv
  - (c) i & iv
  - (d) ii & iii
2. Which of the following options is correct in respect of GTA services provided to Government Department?
  - (a) GTA service is taxable @ 12% without restriction of availing input tax credit.
  - (b) GTA service is taxable @ 12%, but input tax credit cannot be availed for the same.
  - (c) GTA service is taxable @ 5% without restriction of availing input tax credit.
  - (d) GTA service is taxable @ 5%, but input tax credit cannot be availed for the same.
3. Gift of ₹ 50,000 in value provided by Maahi & Co to each of its employee will be:
  - (a) Supply of goods
  - (b) Supply of services
  - (c) Exempt supply
  - (d) Not a supply
4. Which of the following statements is correct:-
  - (i) Letting out of warehouse to Shankar is exempt
  - (ii) Catering service to "Vishesh" Anganwadi is exempt
  - (iii) Letting out of warehouse to Shankar is not exempt
  - (iv) Catering service to "Vishesh" Anganwadi is not exempt

- (a) i & ii  
 (b) iii & iv  
 (c) i & iv  
 (d) ii & iii
5. M/s Maahi & Co is eligible to claim input tax credit of \_\_\_\_\_  
 (a) ₹ 45,000  
 (b) ₹ 55,000  
 (c) ₹ 1,00,000  
 (d) Nil
6. Compute the GST liability of the firm for the month of July to be paid in cash, if rule 86B of the CGST Rules, 2017 is not applicable?  
 (a) IGST: ₹ 10,000; CGST: Nil, SGST: ₹ 5000  
 (b) IGST: ₹ 12,000; CGST: Nil; SGST: ₹ 5000  
 (c) IGST: Nil; CGST: ₹ 10,000, SGST: ₹ 5000  
 (d) IGST: 5,000; CGST: Nil, SGST: 10,000 **(6 x 2 Marks = 12 Marks)**
7. Kids Bazaar Pvt. Ltd., registered in Maharashtra sells kids clothing via an E-commerce operator Champ.com. Mr. Dhruv placed an order of 10 sets of Ethnic wear in different colours each costing ₹ 5,000 (GST @18% not included) on 20<sup>th</sup> January 2023. However, he returned 2 sets back after 2 days in accordance with the exchange policy of Champ.com. Determine the value of supply on which Champ.com should collect TCS from Kids Bazaar Pvt. Ltd.  
 (a) ₹ 40,000  
 (b) ₹ 59,000  
 (c) ₹ 50,000  
 (d) ₹ 47,200 **(2 Marks)**
8. Miss Gyati, a jeweller registered under GST in Mumbai, wants to sell her jewellery in a Trade Expo held in Delhi. Which of the following statements is false in his case?  
 (a) She needs to get registration in Delhi as casual taxable person.  
 (b) She needs to pay advance tax on estimated tax liability.  
 (c) She needs to mandatorily have a place of business in Delhi.  
 (d) She needs to file GSTR-1/ IFF and GSTR-3B for Delhi GSTIN for the month or quarter, as the case may be, when she gets registered in Delhi. **(1 Mark)**

## Division B - Descriptive Questions

### Question No. 1 is compulsory.

Attempt any two questions out of remaining three questions.

**Total Marks:35 Marks**

1. (a) Vishwanath Ltd., a registered supplier in Karnataka has provided the following details for supply of one machine:

	Particulars	Amount in (₹)
(1)	List price of machine supplied [exclusive of items given below from (2) to (4)]	80,000
(2)	Tax levied by Local Authority on sale of such machine	6,000
(3)	Discount of 2% on the list price of machine was provided (recorded in the invoice of machine)	
(4)	Packing expenses for safe transportation charged separately in the invoice	4,000

Vishwanath Ltd. received ₹ 5,000 as price linked subsidy from a NGO on sale of each such machine, The Price of ₹ 80,000 of the machine is after considering such subsidy.

During the month of February, Vishwanath Ltd. supplied three machines to Intra-State customers and one machine to Inter-State customer.

Vishwanath Ltd. purchased inputs (intra-State) for ₹ 1,20,000 exclusive of GST for supplying the above four machines during the month.

The Balance of ITC at the beginning of February was:

CGST	SGST	IGST
₹ 18,000	₹ 4,000	₹ 26,000

Note:

- Rate of CGST, SGST and IGST to be 9%,9% and 18% respectively for both inward and outward supplies.
- All the amounts given above are exclusive of GST.
- All the conditions necessary for availing the ITC have been fulfilled.

Compute the minimum net GST payable in cash by Vishwanath Ltd. for the month of February. **(10 Marks)**

- (b) Veda Ltd. procured the following goods in the month of January, 2024.

Inward Supplies	GST (₹)
(1) Goods used in constructing an additional floor of office building. The cost of construction of additional floor has been capitalized.	96,200

(2) Trucks used for transportation of inputs in the factory	11,000
(3) Inputs used in trial runs	8,350
(4) Confectionery items for consumption of employees working in the factory	4,325
(5) Cement used for making foundation and structural support to plant and machinery	9,550

Note: Depreciation has not been claimed on tax component in case of trucks.

Compute the amount of ITC available with Veda Ltd. for the month of January, 2024 by giving necessary explanations. Assume that all the other conditions necessary for availing ITC have been fulfilled. **(5 Marks)**

2. (a) Determine the place of supply in the following independent cases:-
- (i) Harpreet (New Delhi) boards the New Delhi-Kota train at New Delhi. He sells the goods taken on board by him (at New Delhi), in the train, at Jaipur during the journey.
- (ii) LP Refineries (Mumbai, Maharashtra) gives a contract to Bhansali Ltd. (Ranchi, Jharkhand) to supply a machine which is required to be assembled in a power plant in its refinery located in Kutch, Gujarat. **(5 Marks)**
- (b) Green Agro Services, a registered person provides the following information relating to its activities during the month of February, 2024:

Gross Receipts from	(₹)
Services relating to rearing of goats	3,75,000
Services by way of artificial insemination of horses	5,00,000
Processing of sugarcane into jaggery	7,00,000
Milling of paddy into rice	8,00,000
Services by way of warehousing of agricultural produce	2,25,000

All the above receipts are exclusive of GST.

Compute the value of taxable supplies under GST laws for the month of February, 2024. **(5 Marks)**

3. (a) Sheen Ltd. a registered supplier wishes to transport cargo by road between two cities situated at a distance of 372 kilometres. Calculate the validity period of e-way bill under rule 138(10) of the CGST Rules, 2017 for transport of the said cargo, if it is over dimensional cargo or otherwise. **(5 Marks)**
- (b) Apex Cinemas, a registered person engaged in making supply of services by way of admission to exhibition of cinematograph films in multiplex screens was issuing consolidated tax invoice for supplies at the close of each day in terms of section 31(3)(b) of the CGST Act, 2017 read with fourth proviso to rule 46 of the CGST Rules, 2017.

During the month of February, 2024, the Department raised objection for this practice and asked to issue separate tax invoices for each ticket.

Advise Apex Cinemas for the procedure to be followed in this regard.

**(5 Marks)**

4. (a) Who are not eligible to opt for composition scheme for goods under GST laws? **(5 Marks)**

Or

- (a) Under the GST law, taxes on taxable services supplied by the Central Government or the State Government to a business entity in India are payable by recipient of services".

State the exceptions of the above statement.

**(5 Marks)**

- (b) Who can be registered as Goods and Service Tax Practitioners under Section 48 of the CGST Act, 2017? **(5 Marks)**