

MKG2

Roll No594712.....

Total No. of Printed Pages: 6

Total No. of Questions – 11

Time allowed: 3 hours

Maximum Marks: 70

GENERAL INSTRUCTIONS TO CANDIDATES

1. The question paper comprises two parts, Part I and Part II.
2. Part I comprises Multiple Choice Questions (MCQs).
3. Part II comprises questions which require descriptive type answers.
4. Ensure that you receive the question paper relating to both the parts. If you have not received both, bring it to the notice of the invigilator.
5. Answers to Questions in Part I are to be marked on the OMR answer sheet given on the cover page of descriptive answer book of section A only. Answers to questions in Part II are to be written in their respective descriptive answer book. Answers to MCQs, if written inside the descriptive answer book or on Part-I Question paper will not be evaluated.
6. OMR answer sheet given on the cover page of descriptive answer book will be in English only for all candidates, including for Hindi medium candidates.
7. **The bar coded sticker provided in the attendance register, is to be affixed only on the descriptive answer book.**
8. You will be allowed to leave the examination hall only after the conclusion of the exam. If you have completed the paper before time, remain in your seat till the conclusion of the exam.
9. Duration of the examination is 3 hours. You will be required to submit the descriptive answer book with OMR cover page to the invigilator before leaving the exam hall, after the conclusion of the exam.
10. The invigilator will give you acknowledgement on Page 2 of the admit card, upon receipt of the above-mentioned items.
11. Candidate found copying or receiving or giving any help or defying instructions of the invigilators will be expelled from the examination and will also be liable for further punitive action.

PART-II

70 Marks

1. **Section- A** comprises -questions **1-4**. In Section – A. All questions in Section- A relate to assessment year 2025-26, unless otherwise stated.
Section- B comprises questions **5-11**.
2. Working notes should form part of the answer.
3. Answers to the questions are to be given only in English except in the case of candidates who have opted for Hindi Medium. If a candidate has not opted for Hindi Medium, his/her answers in Hindi will not be evaluated.
4. All questions in Section - B should be answered on the basis of position of GST Law as amended by Finance Act, 2024.

Part II**70 Marks****SECTION –A****SUBJECTIVE TYPE QUESTIONS****Question 1****(10 Marks)**

XYZ are the partners in a firm with profit sharing ratio 5:3:2 and profit and loss account of the partnership firm is as given below:

Particulars	Amount ₹	Particulars	Amount ₹
Purchases	90,00,000	Sales	102,00,000
Salary and bonus to partners		Discount	10,000
X	3,00,000		
Y	2,50,000		
Z	1,50,000		
Municipal tax payable	30,000	Interest from Indian company	60,000
General expenses	1,00,000	Interest on drawings	10,000
Expenditure on technical know-how (purchased and put to use on 01.01.2025)	40,000	Income tax refund	5,000
Advance Income Tax	70,000		
Expenses on GST proceedings	10,000		
Expenses on income tax proceedings	8,000		
Advertisements	50,000		
Interest on capital to partners @ 13% p.a.			
X	65,000		
Y	39,000		
Z	26,000		
Rent of building owned by partnership firm	1,20,000		
Net Profit	27,000		
	102,85,000		102,85,000

Additional information:

- Capital contributed by Mr. X is ₹5,00,000 and by Mr. Y ₹3,00,000 and by Mr. Z ₹2,00,000.
- Salary paid to Mr. X is ₹3,00,000 and to Mr. Y ₹2,50,000 and to Mr. Z ₹1,50,000.
- The partnership firm has brought forward business loss for assessment year 2022-23 amounting to ₹1,00,000.
- Municipal tax was paid on 01.11.2025.

Personal incomes of partners:

- Mr. X has income from house property ₹5,00,000 and amount invested in National Saving Certificate ₹80,000.
- Mr. Y has income from house property ₹2,00,000 and amount invested in National Saving Certificate ₹1,00,000.
- Mr. Z has loss from house property ₹2,00,000.

Compute Tax Liability of the partnership firm and also that of its partners for the Assessment Year 2025-26.

Question 2.**(10 Marks)**

Mr. X, a resident individual, retires from C Ltd. Delhi w.e.f. 1st February, 2025 after 25 years of service. He joined T Ltd. on the same day i.e. 1st February, 2025.

The following information is provided by him about his incomes/outgoing during the Previous Year 2024-25:

(a) Salary/allowances/perquisites/other payment from 01.04.2024 to 31.01.2025 from C Ltd.	₹
(i) Basic salary	12,000 p.m.
(ii) Dearness allowance (One-half includible for superannuation benefits)	3,000 p.m.
(iii) Commission, 5% on turnover achieved by him	6,000
(iv) House accommodation, rent paid by company	5,000 p.m.
(v) Best suggestion award for total quality management scheme (in kind)	12,000
(vi) Lunch Facility (cost per meal is upto ₹50)	500 p.m.
(vii) Gratuity under Gratuity Act, 1972	3,35,000
(viii) Pension	3,000 p.m.
(ix) Commuted value of one-half pension w.e.f. 01.02.2025	2,25,000
(x) Refund of employer contribution from unrecognised provident fund (Including interest of ₹1,00,000)	2,50,000
(xi) Refund of employee contribution from unrecognised provident fund (Including interest of ₹1,00,000)	2,50,000
(b) Salary/allowances/perquisites etc. from 01.02.2025 to 31.03.2025 from T Ltd.	
(i) Salary	8,000 p.m.
(ii) House rent allowance	1,500 p.m.
(iii) Free use of motorcar (exceeding 1.6 litres engine capacity) (expenses met by employer)	
(iv) Rent paid by assessee	2,000 p.m.

You are required to compute his income under the head Salary and Tax Liability for the Assessment Year 2025-26.

Question 3 (a).**(3 Marks)**

TDS in case of payment to partners of firms of Partnership Firm or LLP Section 194T.

Question 3 (b).**(3 Marks)**

Mrs. Nupur Sharma is getting a family pension of ₹7,000 p.m. She has also received interest on fixed deposit of ₹90,000 after deducting tax at source of ₹10,000. The bank has deducted collection charges @ 1.5%. She has short term capital gains under section 111A ₹ 4,00,000. Deductions under Chapter VI-A ₹ 67,650
Compute her tax liability for assessment year 2025-26.

Question 3 (c).**(4 Marks)**

Examine the applicability and the amount of TDS to be deducted in the following cases for F.Y. 2024-25:

- S and Co. Ltd. paid ₹ 25,000 to one of its Directors as sitting fees on 02-02-2025.
- ₹ 2,20,000 paid to Mr. Mohan, a resident individual, on 28-02-2025 by the State of Haryana on compulsory acquisition of his urban land.
- Mr. Purushotham, a resident Indian, dealing in hardware goods has a turnover of ₹12 crores in the previous year 2023-24. He purchased goods from Mr. Agarwal a resident seller, regularly in the course of his business. The aggregate purchase made during the previous year 2024-25 on various dates is 80 lakhs which are as under:

10-06-2024	₹25,00,000
20-08-2024	₹27,00,000
12-10-2024	₹28,00,000

He credited Mr. Agarwal's account in the books of accounts on the same date and made the payment on 28.02.2025 ₹80 lakh. Mr. Agarwal's turnover for the financial year 2023-24 is ₹20 crores.

Question 4. (5 Marks)

Mr. Jai a resident individual furnishes the following particulars of his income and other details for the previous year 2024-25:

	₹
Income from the activity of owning and maintaining race horses	40,000
Income from crossword puzzle solving	30,000
Income from Agricultural land in Haryana	25,000
Dividend Income from domestic company (gross)	15,000
(Expenditure incurred in collecting the aforesaid dividend)	2,500
Income from cycling business	1,50,000
Loss from warehousing facility for storage of edible oils	1,00,000
Share of loss from PR associates, a firm (having 4 equal partners) in which he is a partner	23,000
The following items have been brought forward from the assessment year 2023-24:	
Brought forward loss from house property	1,00,000
Loss from the activity of owning and maintaining race horses	37,000
Loss from gambling	10,000
Unabsorbed depreciation	15,000
Speculation Loss	20,000

Mrs. Jai (wife of Mr. Jai) got a salary of ₹ 1,20,000 from PR associates during the year 2024-25. She is not qualified for the job.

Compute the gross total income of Mr. Jai for the assessment year 2025-26 ignoring the provisions of Section 115BAC.

SECTION –B

Question 5

(7 Marks)

ABC Ltd has submitted information as given below:

Delivered goods on 31/07/2024 to Mr. A ₹ 7,00,000 + CGST @ 9% + SGST @ 9% and issued invoice on 03/08/2024 and received payment on 01/09/2024.

Delivered goods to Mr. B on 10/09/2024 and issued invoice on 31/08/2024 ₹ 6,00,000 + CGST @ 9% + SGST @ 9% and received payment on 01/09/2024.

Delivered goods to Mr. C on 10/08/2024 and issued invoice on 01/09/2024 ₹7,00,000 + CGST @ 9% + SGST @ 9% and payment has not been received so far.

Delivered goods to Mr. D on 30/09/2024 and issued invoice on 31/08/2024 ₹12,00,000 + CGST @ 14% + SGST @ 14% and received payment on 16/08/2024.

Determine TOS and tax liability for each month and last date of payment of GST and if each payment was delayed by 10 days compute Interest also.

Question 6

(7 Marks)

Mr. Thiraj, a registered supplier of service in Bangalore (Karnataka State) has provided the following information for the month of February 2025:

Particulars	Amount in (₹)
(i) Intra-state taxable supply of service	5,20,000
(ii) Legal fee paid to a Lawyer located within the State	20,000
(iii) Rent paid to the State Govt. for his office building	30,000
(iv) Received for services towards conduct of exams to Loveall University, Pune (recognized by law), being an inter-state transaction.	16,000

Compute the net GST liability (CGST, SGST or IGST) of Mr. Thiraj for the month of February 2025.

Rate of CGST, SGST and IGST are 9%, 9% and 18% respectively.

All the amounts given above are exclusive of taxes.

Question 7

(5 Marks)

Star 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

Star Ltd. received ₹ 5,000 as 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, 2025, Star Ltd. supplied three machines to Intra-State customers and one machine to Inter-State customer.

Star 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, 2025 was:

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

Note:

- (i) Rate of CGST, SGST and IGST to be 9%, 9% and 18% respectively for both inward and outward supplies.
 - (ii) All the amounts given above are exclusive of GST.
 - (iii) All the conditions necessary for availing the ITC have been fulfilled.
- Compute the minimum net GST payable in cash by Star Ltd. for the month of February, 2025.

Question 8

(4 Marks)

M/s. Apna Bank Limited, a scheduled commercial bank, has furnished the following details for the month of August:

Particulars	Amount [₹ in crores] (excluding GST)
Extended housing loan to its customers	100
Processing fees collected from its customers on sanction of loan	20
Commission collected from its customers on bank guarantee	30
Interest income on credit card issued by the bank	40
Interest received on housing loan extended by the bank	25
Minimum balance charges collected from current account and saving account holder	01

Compute the value of taxable supply.

Question 9

(4 Marks)

Explain Time of Supply in case of supply in respect of which tax is paid or liable to be paid on reverse charge.

Question 10

(4 Marks)

Explain Statement and return by composition dealer.

Question 11

(4 Marks)

What are the Key features of GSTR-1A (Mention any 4)