

**MKG**

**MOCK TEST-3**

**SEPT 24/JAN 25**

**FULL SYLLABUS**

**ATTEMPT ALL QUESTIONS**

**Roll No ...368741.....**

**Time allowed: 3 hours**

**Maximum Marks: 100**

**MCQ BOOKLET NO. 3092024**

**PAPER CODE- MKG**

**MULTIPLE CHOICE QUESTIONS**  
**INCOME TAX 15 Marks & GST 15 Marks**

Ms. Chanchal, aged 45, provides the following data of her gross receipts for the financial year 2022-23 and 2023-24. She is engaged in agency business along with providing services as tarot card reader.

F.Y.	Receipts from business (₹)	Receipts from profession (₹)	Total Gross Receipts (₹)
2022-23	78,00,000	43,00,000	1,21,00,000
2023-24	85,00,000	47,00,000	1,32,00,000

During the F.Y. 2023-24, she paid an amount of ₹ 1,20,000 to a contractor for polishing her old furniture. She has taken services from renowned interior designers for her self-occupied residential house property for which she paid ₹ 2,50,000.

Further, on 28.05.2023 she sold one commercial property for ₹ 50,00,000. The value adopted for stamp duty was ₹ 52,00,000. It was purchased for ₹ 40,00,000 on 28.04.2019. (Cost Inflation Index for F.Y. 2023-24: 348, F.Y. 2019-20: 289).

The brought forward long-term capital loss from unlisted shares of F.Y. 2022-23 is ₹ 7,80,000.

During the year, Ms. Chanchal incurred a loss of ₹ 70,00,000 while trading in the agricultural commodity derivatives (no CTT paid).

From the details given above, choose the most appropriate option to the questions given below:

**1. Is Ms. Chanchal liable to tax audit under the Income-tax Act, 1961 for the P.Y. 2023-24?**

- Yes, as the total gross receipts exceeds ₹ 1,00,00,000
- No, as the gross receipts from business or profession are below the specified threshold limits.
- Yes, as the gross receipts from business exceed ₹ 50,00,000
- Yes, as the gross receipts from profession exceed ₹ 25,00,000

**2. What is the total amount of tax to be deducted by Ms. Chanchal for P.Y. 2023-24?**

- ₹ 1,200
- ₹ 26,200
- Nil
- ₹ 27,400

**3. What is the amount and nature of Capital gain chargeable to tax in the hands of Ms. Chanchal?**

- ₹ 10,00,000 and Short-term capital gain.
- ₹ 12,00,000 and Short-term capital gain.
- ₹ 1,83,391 and Long-term capital gain.
- ₹ 9,50,000 and Long-term capital gain.

**4. What is the amount of losses which can be carried forward to A.Y. 2025-26, assuming that business income is ₹ 45,00,000 and income from profession is ₹ 25,00,000 for the P.Y. 2023-24?**

- ₹ 7,80,000 under section 74
- ₹ 70,00,000 under section 73
- ₹ 5,96,609 under section 74
- ₹ 30,000 under section 74 and ₹ 70,00,000 under section 73

**5. Mr. Ajay Sahu, proprietor of M/s Blue Bird Enterprises having turnover of ₹ 65 lakhs and Turnover is less than 100 lakhs during P.Y. 2022-23, has received two bills for payment. The first bill is for ₹ 42,00,000 from Vijay Associates, an advocate and property dealer firm, for his daughter's hearing and ₹ 21,00,000 from same Vijay Associates for brokerage service provided in relation to purchase of one property. Both bills were raised on 21-12-2023 but payment were made in instalments. 1st Instalment of ₹5,00,000 as advance was payment on 15-11-2023, 2nd Instalment of ₹45,00,000 on 25-03-2024 and balance amount ₹13,00,000 on 31-03-2024.**

**Determine the TDS liability for Mr. Ajay Sahu, if any, for A.Y. 2024-25?**

- (a) ₹ 2,50,000
- (b) ₹ 3,15,000
- (c) ₹ 65,000
- (d) Nil

**6. M/S Mohan & Sons (liable to audit) paid ₹35,000 to Mr. Goel on 01.05.2023 towards fee for legal advisory services without deduction of tax at source. Another payment of ₹47,000 was due to Mr. Goel on 31.07.2023 and TDS on entire amount (i.e. ₹35,000 plus ₹47,000) was deducted and then the net amount was paid. However, the total tax deducted was deposited on 15.11.2023. The interest chargeable under section 201 will be:**

- (a) ₹650
- (b) ₹433
- (c) ₹486
- (d) ₹597

**7. Ms. Rashmi who is not required to furnish return u/s 139(1) as her gross total income itself is less than basic exemption limit, has incurred expenditure of ₹3,00,000 for her daughter for travel to U.S.A. during P.Y. 2023-24. Is she required to file return for A.Y. 2024-25? If yes, what is the due date?**

- (a) Yes; 31st July, 2024
- (b) Yes; 30th September, 2024
- (c) Yes; 31st August, 2024
- (d) No, she is not required to file return of income for A.Y. 2024-25

**8. Mr. A, a salaried individual, pays rent of ₹51,000 per month to Mr. B from June,2023. Which of the statement is true?**

- (a) No tax is deductible at source since Mr. A is not liable to tax audit u/s 44AB.
- (b) Tax is deductible at source every month @ 10% on rent paid to Mr. B.
- (c) Tax is deductible at source every month @ 5% on rent paid to Mr. B.
- (d) Tax is deductible at source @ 5% on annual rent from the rent paid for March 2024.

**9. Mr. X has a total income of ₹ 8 lakhs for A.Y. 2024-25. He files his return of income for A.Y. 2024-25 on 13th December, 2024. He is liable to pay fee of—**

- (a) ₹ 1,000 under section 234F
- (b) ₹ 5,000 under section 234F
- (c) ₹ 10,000 under section 234F
- (d) Not liable to pay any fee

**10. If Anirudh has stayed in India in the P.Y. 2023-24 for 181 days, and he is non-resident in 9 out of 10 years immediately preceding the current previous year and he has stayed in India for 365 days in all in the 4 years immediately preceding the current previous year and 420 days in all in the 7 years immediately preceding the current previous year, his residential status for the A.Y.2024-25 would be—**

- (a) Resident and ordinarily resident
- (b) Resident but not ordinarily resident
- (c) Non-resident
- (d) Cannot be ascertained with the given information

**11. Mr. Aarav gifted a house property valued at ₹50 lakhs to his wife, Geetha, who in turn has gifted the same to her daughter-in-law Deepa. The house was let out at ₹25,000 per month throughout the P.Y.2023-24. Compute income from house property for A.Y.2024-25.**

**In whose hands is the income from house property chargeable to tax?**

- (a) ₹3,00,000 in the hands of Mr. Aarav
- (b) ₹2,10,000 in the hands of Mr. Aarav
- (c) ₹2,10,000 in the hands of Geetha
- (d) ₹2,10,000 in the hands of Deepa

**12. The deduction allowable in respect of family pension taxable under “Income from other sources” is**

- (a) 33-1/3% of the pension
- (b) 30% of the pension or ₹15,000, whichever is less
- (c) 33-1/3% of the pension or ₹15,000, whichever is less
- (d) 30% of the pension

**13. Jenny has invested in debt securities of Haryali Pvt. Ltd., a company deriving its main source of income from business of growing and processing organic vegetables and fruits. Thus, the company has 80% of income exempt as agricultural income and 20% is taxable as business income. During the P.Y. 2023-24, Jenny derived ₹ 5,000 as interest income from the above investments. Which of the following statements are correct on taxability:**

- (a) Interest will be exempt from tax to the extent of 80%, since Hariyali Pvt. Ltd has 80% exempted income.
- (b) Interest will be exempt from tax to the extent of 20%, since Hariyali Pvt. Ltd has claimed 80% of income as exempt.
- (c) Interest will be fully taxable
- (d) Interest will be fully exempt

**14. Ashok took possession of property on 31st August 2023 booked by him three years back at ₹25 lakhs, The Stamp Duty Value (SDV) of the property as on 31st August 2023 was ₹31 lakh and on date of booking it was ₹29 lakh. He had paid ₹2 lakh by A/c payee cheque as down payment on date of booking. Which of the following will be considered as income, if any, and in which previous year**

- (a) ₹4 lakhs in P.Y. 2023-24
- (b) ₹4 lakhs in P.Y. 2020-21
- (c) ₹6 lakhs in P.Y. 2022-23
- (d) No income shall be taxable, since down payment was paid by A/c payee cheque while booking the property

**15. Mr. Square, an Indian citizen, currently resides in Dubai. He came to India on a visit and his total stay in India during the F.Y.2023-24 was 135 days. He has no source of Income in India. Following is his details of stay in India in the preceding previous years:**

Financial Year	Days of Stay in India
2022-23	125
2021-22	106
2020-21	83
2019-20	78
2018-19	37
2017-18	40
2016-17	35

You are his tax consultant. Advise him on his residential status for the P.Y. 2023-24.

- (a) Resident but Not Ordinary Resident (RNOR)
- (b) Resident and Ordinary Resident
- (c) Non-Resident
- (d) Resident but information incomplete to know whether resident but not ordinarily resident or resident and ordinarily resident

**16. C & Co., a registered supplier in Delhi, opted for composition levy under sub-sections (1) and (2) of section 10 of the CGST Act, 2017. It sold goods in the fourth quarter of a financial year for ₹ 15,00,000 (exclusive of GST). The applicable GST rate on these goods is 12%. C & Co. purchased goods from Ramesh & Co., registered in Delhi, for ₹ 9,55,000 on which Ramesh & Co. had charged CGST of ₹ 57,300 and SGST of ₹ 57,300. C & Co. had also purchased goods from E & Co., registered in Haryana, for ₹ 2,46,000 on which E & Co. had charged IGST of ₹ 29,520. GST liability of C & Co. for the fourth quarter of the financial year is-**

- (a) CGST ₹ 7,500 & SGST ₹ 7,500
- (b) CGST ₹ 3,180 & SGST ₹ 32,700
- (c) CGST ₹ 32,700 & SGST ₹ 3,180
- (d) Nil

**17. Kalim & Associates made an application for cancellation of GST registration in the month of March due to closure of its business. Its application for cancellation of GST registration was approved on 14th September. In the given case, Kalim & Associates is:**

- (a) required to file Final Return on or before 13th December
- (b) not required to file Final Return
- (c) required to file Final Return on or before 30th September
- (d) required to file Final Return on or before 14th December

### **Question 18 to 21**

MM Charitable Trust is registered under section 12AA or 12AB of the Income-tax Act, 1961.

The trust conducted a three day residential yoga camp among people on the occasion of International yoga day for the advancement of yoga and charged ₹ 7,500 per person inclusive of stay and food.

The trust also conducted programmes for the advancement of education of persons aged above 65 years in metro cities. A nominal fee was charged for the same.

The trust received following donations during the month of September:-

- i. Solid Steels Pvt. Ltd. donated a RO water plant to the trust costing ₹ 75,000 and displayed its company name in the RO system installed at the premises of the trust as “Donated by Solid Steels Private Limited-trusted by all”.
- ii. Mr. Prasanna, a lawyer donated chairs to the trust costing ₹ 25,000 and ‘Love all’ is printed on all chairs donated by him to the trust.

The following are the details of GST payment made by the firm-

- i. GST of ₹ 1,75,000 was paid for the purchase of motor vehicle for transportation of needy persons (Seating capacity including driver is 13).
- ii. GST of ₹ 2,45,000 was paid for works contract services availed from Super Builders for construction of Trust’s office building.

MM Charitable Trust also owns and manages a gurudwara. It rented the community hall located in the precincts of the gurudwara for a rent of ₹ 8,500 per day for a marriage function. It also rented the commercial shop located in the precincts of the gurudwara for a rent of ₹ 10,000 per month per shop.

You can assume that the Trust is registered under GST and all the transactions are intra-State only. Conditions for availing ITC are fulfilled subject to the above- mentioned information.

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

**18. Which of the following activities conducted by trust is exempt from GST?**

- (a) Advancement of Yoga
- (b) Advancement of education
- (c) Both (a) and (b)
- (d) Neither of the activities

**19. Determine the value of taxable supply in respect of donations received by the Trust?**

- (a) ₹ 25,000
- (b) ₹ 75,000
- (c) ₹ 1,00,000
- (d) Nil

**20. Compute the amount of input tax credit that can be claimed by the Trust?**

- (a) ₹ 1,75,000
- (b) ₹ 2,45,000
- (c) ₹ 4,20,000
- (d) Nil

**21. Which of the following statements is/are correct under GST law in respect of gurudwara managed by MM Charitable Trust?**

- (a) Renting of community hall is taxable while renting of commercial shop is exempt.
- (b) Renting of community hall is exempt while renting of commercial shop is taxable.
- (c) Both renting of community hall and renting of commercial shop are taxable.
- (d) Both renting of community hall and renting of commercial shop are exempt.

**22. Kala Niketan School is an educational institution providing pre-school education and education up to higher secondary school. Which of the following services are exempt if provided to Kala Niketan School?**

- (i) Transportation of students, faculty and staff
  - (ii) Catering services
  - (iii) Cleaning services performed in such educational institution
- (a) (i)
  - (b) (i) and (iii)
  - (c) (ii) and (iii)
  - (d) (i), (ii) and (iii)

**Question 23 to 28**

Ms. Adisha, a Doctor having in-patient facility in her hospital is a registered person under GST. She availed interior decoration services from her spouse without any consideration being paid. She also availed IT related services from her sister-in-law without any consideration. Both services were for the purpose of her profession.

Ms. Adisha provided treatment of various diseases in her hospital and apart from that she also provided the following services in her hospital-

- (a) Plastic surgery to enhance the beauty of the face
- (b) Ambulance service for transportation of patients
- (c) Renting of space to run medical store in hospital premises

She is also a consultant in other hospitals and received ₹ 40,00,000 as consultancy fee from the other hospitals. Further, she also provides canteen facility and received ₹ 55,000 from in-patients, ₹ 35,000 from patients who are not admitted and ₹ 25,000 from visitors for the same facility.

She filed GSTR-3B for the month of June with some errors. She filed the Annual return for the said financial year on 31<sup>st</sup> October of the next year, whereas due date for the said Annual return is 31<sup>st</sup> December of the next year.

Proper Officer of the department cancelled the registration certificate of Ms. Adisha suo-motu on 31<sup>st</sup> July. Order of cancellation was served on 5<sup>th</sup> August. However, she applied for revocation of the same and got her registration certificate revoked.

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

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

**23. Which of the following is a correct statement as per the provisions of CGST Act, 2017?**

- (i) Service availed from her Spouse is a deemed supply
- (ii) Service availed from her Sister-in-Law is a deemed supply
- (i) Service availed from her Spouse is not a deemed supply
- (iv) Service availed from her Sister-in-Law is not a deemed supply
- (a) (i) and (iv)
- (b) (iii) and (iv)
- (c) (ii) and (iii)
- (d) (i) and (ii)

**24. Compute the taxable value of supply of canteen service provided by Ms. Adisha?**

- (a) ₹ 25,000
- (b) ₹ 35,000
- (c) ₹ 60,000
- (d) ₹ 80,000

**25. Ms. Adisha should have applied for revocation of cancellation of registration certificate by**

- (a) 5<sup>th</sup> August
- (b) 20<sup>th</sup> August
- (c) 30<sup>th</sup> August
- (d) 4<sup>th</sup> September

**26. Maximum time permissible for rectification of error committed in monthly return of June is \_\_\_\_\_**

- (a) 20<sup>th</sup> July
- (b) 20<sup>th</sup> October of the next year
- (c) 30<sup>th</sup> November of the next year
- (d) 31<sup>st</sup> December of the next year

**27. Determine which of the following services provided by Ms. Adisha and her hospital is exempt from GST?**

- (i) Plastic surgery to enhance the beauty of the face
- (ii) Ambulance service for transportation of patients
- (iii) Renting of space to run medical store in hospital premises
- (iv) Consultancy service by Ms. Adisha in other hospitals
- (a) (i), (ii) & (iv)
- (b) (i), (ii)
- (c) (ii) & (iv)
- (d) (i) & (iii)

**28. Which article of the Constitution outlines the composition and functions of the GST Council?**

- (a) 270
- (b) 279A
- (c) 246A
- (d) 269A

**29. What is the maximum rate of CGST prescribed under CGST Act?**

- (a) 20%
- (b) 28%
- (c) 24%
- (d) 40%

**30. Mr. X is a dealer registered in GST and has purchased goods from other State ₹5,00,000 and paid IGST @ 10% and sold the goods at a profit of ₹2,00,000 and charged output CGST @ 5% and Output SGST @ 5%. Tax Payable shall be**

- (a) CGST – ₹35,000 & SGST - ₹35,000
- (b) CGST – ₹20,000 & SGST - ₹20,000
- (c) CGST – Nil & SGST - ₹20,000
- (d) CGST – Nil & SGST - Nil

**SECTION A: INCOME TAX**

**SUBJECTIVE TYPE QUESTIONS (35 Marks)**

**Question No.1 is compulsory and** Candidates are also required to answer **any two questions** from the remaining three questions.

Working notes should form part of the respective answers.

All questions relate to Assessment Year 2024-25, unless otherwise stated.

**Question 1.**

**(15 Marks)**

Mr. Sahil, resident Indian aged 40 years, a Manufacturer at Chennai, gives the following Manufacturing, Trading and Profit & Loss Account for the year ended 31.03.2024.

**Manufacturing, Trading and Profit & Loss Account for the year ended 31.03.2024**

Particulars	₹	Particulars	₹
To Opening Stock	71,000	By Sales	43,50,000
To Purchase of Raw Materials	17,20,500	By Closing stock	2,00,000
To Manufacturing Wages & Expenses	5,80,500		
To Gross Profit	21,78,000		
<b>Total</b>	<b>45,50,000</b>	<b>Total</b>	<b>45,50,000</b>
To Administrative Charges	2,90,000	By Gross Profit	21,78,000
To SGST Penalty paid (It is not compensatory nature)	7,000	By Dividend from Domestic Companies	15,000
To GST Paid	1,10,000	By Winning from Lotteries (Net of TDS) (TDS 4,500)	10,500
To General Expenses	55,000	By Profit on Sale of Shares	45,000
To Miscellaneous Expenses	1,50,500		
To Loss on Sale of Shares	20,000		
To Interest to Bank (on machinery term loan)	60,000		
To Depreciation	2,00,000		
To Net Profit	13,56,000		
<b>Total</b>	<b>22,48,500</b>	<b>Total</b>	<b>22,48,500</b>



Following are the further information relating to Financial Year 2023-2024:

- (i) Administrative Charges include ₹ 46,000 paid as commission to brother of Assessee. The Commission amount at the market rate is ₹ 36,000.
- (ii) The assessee paid ₹ 33,000 in cash to a Transport Carrier on 26.12.2023. This amount is included in Manufacturing Expenses. (Assume that the provisions relating to TDS are not applicable on this payment.)
- (iii) A sum of ₹ 4,000 per month was paid as salary to a staff throughout the year and this has not been recorded in books of account.
- (iv) Bank Term Loan Interest actually paid upto 31.03.2024 was ₹ 20,000 and the balance was paid in October 2024.
- (v) Miscellaneous Expenses include ₹ 10,000 contributed to Prime Minister's Relief Fund.
- (vi) Loss on Sale of Shares represents shares sold within a period of 6 months from the date of purchase.
- (vii) Profit on Sale of Shares represents shares held for 2 years & Securities Transaction Tax was paid on it.
- (viii) Housing Loan Principal repaid during the year was ₹ 50,000 and it relates to residential property occupied by him. Interest on Housing Loan was ₹ 2,60,000. Housing Loan was taken from Canara Bank. (Value of house property is ₹ 45 Lakhs, loan value ₹ 25 Lakhs and sanction dated 31.03.2017). These amounts were not dealt with in the Profit and Loss Account given above. (Assume this housing loan is eligible for 80EE deduction).
- (ix) Depreciation allowable under the Act to be computed on the basis of following information:

Plant & Machinery (Depreciation Rate @ 15%)	₹
Opening WDV (as on 01.04.2023)	12,00,000
Additions During the year (Used for more than 180 days)	2,00,000
Total Additions during the year	4,00,000
Note: Ignore Additional Depreciation u/s 32(1)(ia)	

Compute the total income and tax liability of Mr. Sahil for the A.Y. 2024-25 if he has exercised the option of shifting out of the default tax regime provided under Section 115BAC(1A). Ignore Section 44AD.

**Question 2 (a)**

**(6 Marks)**

Mr. Tilak aged 35 years, furnishes the following information regarding his income for the assessment year 2024-25. Compute the total income if he is:

- (1) Resident and Ordinarily Resident.
- (2) Resident but Not Ordinarily Resident

(Ignore the provisions of Section 115BAC).

- a) Remuneration of ₹ 50,000 for service rendered in Malaysia, credited to his bank account in Malaysia and immediately remitted to his bank account in India.
- b) Profits from a business in England controlled from Bombay ₹ 3,00,000 (out of which ₹ 25,000 is received in India).
- c) Amount brought to India out of past untaxed profits earned in Singapore ₹ 1,00,000.
- d) Capital gain on sale of land in India but received in Malaysia ₹ 2,00,000.
- e) Income from agriculture land at Nepal of ₹ 18,000, received there and then brought to India.
- f) He paid ₹ 50,000 towards principal repayment of loan taken for construction of his self-occupied house in India.
- g) Interest on saving bank deposit in State Bank of India of ₹ 12,000.

**Question 2 (b)**

**(4 Marks)**

Examine the applicability of Tax Deduction at Sources (TDS) or Tax Collection at Source (TCS) as per the Income Tax Act, 1961 for the assessment year 2024-25 in the following independent situations.

- (i) ABC Limited paid rent of ₹ 75,000+18% GST per month to Mr. Ram for the office premises from 01.04.2023 to 31.03.2024. Mr. Ram has furnished his PAN and also filed his return of income before due date regularly.
- (ii) XYZ Pvt. Ltd. sells two cars to Mrs. Anju costing ₹ 4,00,000 and ₹ 12,00,000 respectively on 01.05.2023 and 25.12.2023. Mrs. Anju has furnished her PAN and filed her return of income regularly before the due date.

**Question 3 (a) (i)**

**(2 Marks)**

Mr. Ravi received an advance of ₹ 2,00,000 on 10.05.2023 from a closely held manufacturing company (private company in which the public are not substantially interested) in which he holds 22% shareholding. The company had an accumulated profit of ₹ 1,00,000 at the time of giving the advance. Compute the amount of income to be included in the hands of Mr. Ravi for the assessment year 2024-25 and also state the head under which it is to be included.

**Question 3 (a) (ii)**

**(4 Marks)**

Mr. Rao furnished the following information regarding the payments made towards Scientific Research during the financial year 2023-24:

- (i) Revenue expenditure on Scientific Research incurred during the year ₹ 1,00,000.
- (ii) Capital Expenditure for Scientific Research ₹ 3,00,000.
- (iii) Contribution to Notified approved research association ₹ 1,50,000.

- (iv) Amount paid to H Limited an Indian company which has as its main object scientific research and approved by the prescribed authority ₹ 2,50,000.
- (v) Expenditure of ₹ 2,50,000 towards purchase of Land for scientific research.
- (vi) He also incurred revenue expenditure of ₹ 2,00,000 towards salary of research staff in the F.Y. 2022-23 (before commencement of business) and certified by the prescribed authority.

Compute the deduction allowable u/s 35 for the assessment year 2024-25, assuming, that he has not opted for default tax regime u/s 115BAC and assumed business is commenced in FY 2023-24.

**Question 3 (b)**

**(4 Marks)**

Mr. Surinder furnishes the following particulars for the previous year ending 31.03.2024. He had a Residential House, inherited from his father in December 2009, the Fair Market Value of which on 01.04.2001 is ₹ 13 lakhs. In the year 2013-2014, further construction and improvements costing of ₹ 10 lakhs. The House was originally purchased by his father on 01.03.2000 for ₹ 10 Lakhs. On 10.05.2023, the House was sold for ₹ 75 Lakhs. Expenditure in connection with transfer is ₹ 50,000. On 20.12.2023, he purchased a Residential House for ₹ 12 lakhs and he does not own any other house.

Compute the taxable Capital Gain for the assessment year 2024-25.

(Cost Inflation Index: F.Y. 2013-14 = 220, F.Y. 2023-24 = 348, F.Y. 2009-10 = 148 and F.Y. 2001-02 = 100)

**Question 4 (a)**

**(6 Marks)**

Mr. Joshi, resident Indian, aged about 58 years, furnished the following details of his income for the previous year 2023-24:

- (i) Income from House property (computed) ₹ 2,00,000.
- (ii) Income from Proprietary Business ₹ 3,00,000.
- (iii) Short Term Capital Gain on sale of Land ₹ 2,00,000.
- (iv) Short Term Capital Loss on sale of equity shares listed in recognized stock exchange (STT paid) ₹75,000.
- (v) Interest on Bank fixed deposit ₹ 50,000 received by his son, aged 21 years, out of money gifted by Mr. Joshi in 2022.
- (vi) Loss from Speculation Business ₹ 40,000.
- (vii) Loss from Owning and Maintenance of Race Horses ₹ 50,000.

Following are the brought forward losses:

- (a) Brought forward House property loss of assessment year 2021-22 ₹ 2,50,000.
- (b) Brought forward business loss of Proprietary business from assessment year 2013-14 ₹ 50,000.
- (c) Unabsorbed Depreciation relating to assessment year 2014-15 ₹ 1,00,000.

- (d) Brought forward Long Term Capital Loss from assessment year 2018-19 ₹ 90,000. Return of income for that year was filed on 31.01.2019, after due date of filing the return.

Compute the total income for Mr. Joshi for the assessment year 2024-25 and show the items eligible for carry forward, assuming that he exercises the option of shifting out of the default tax regime provided under Section 115BAC(1A).

**Question 4 (b)**

**(4 Marks)**

State with reason whether the following persons are required to file their return of income as per the provisions of the Income Tax Act, 1961 for the assessment year 2024-25:

- (i) Mr. Aneesh aged 31 years, who opted for default tax regime u/s 115BAC (1A) had a total income of ₹2,90,000, for the previous year 2023-24.
- (ii) Smt. Patel, aged 65 years, has a TDS credit of ₹ 55,000 during the previous year 2023-24.
- (iii) The gross receipts of Mr. Ajit, aged 45 years, an architect for the previous year 2023-24 was ₹12,00,000, but his profit from profession was only ₹ 2,25,000 and he has no other income.

## SECTION B: GOODS AND SERVICES TAX

### SUBJECTIVE TYPE QUESTIONS (35 Marks)

1. Section B comprises of questions from 5-8. In Section B, answer question no. 5 which is compulsory and any two questions from question nos. 6-8.
2. Working notes should form part of the answer.

#### Question 5 (a)

(10 Marks)

Evershine Pvt. Ltd., a GST registered supplier located in Jaipur, Rajasthan is engaged in taxable supply of packaging goods and consultancy services. It provides following details of various activities undertaken during the month of September 2023:

#### (A) Details of Outward Supplies :-

- (1) Supply of goods of ₹ 18,00,000 to Vaidehi Enterprises, a registered person of Udaipur, Rajasthan. Further, received ₹ 50,000 from Vaidehi Enterprises towards freight charges (as agreed to deliver the goods at Vaidehi Enterprises' premises) which was not included in above value of supply.
- (2) Supply of goods worth ₹ 35,00,000 to Calc. Exim, a registered person of Prayagraj, Uttar Pradesh. Further the amount of ₹ 60,000 charged separately (not included above) from Calc. Exim on account of municipal taxes levied in relation to such outward supply.
- (3) Supply of services to Sunshine Ltd., a registered person in Jodhpur, Rajasthan before discount worth ₹ 6,00,000. Further, discount of ₹ 30,000 which has been given at the time of supply of service and duly recorded in the invoice.
- (4) It delivered the goods worth ₹ 2,00,000 to Jeevan Solutions, a registered person located at Bikaner, Rajasthan on the direction of Raghu Enterprise, a registered person of Mumbai, Maharashtra and tax invoice was issued by Evershine Pvt. Ltd. to Raghu Enterprise of Mumbai, Maharashtra.

#### (B) Details of Inward Supplies :-

- (1) Purchased raw material goods worth ₹ 20,00,000 from PQR Ltd., a GST registered dealer, located at Kanpur, Uttar Pradesh. Goods worth ₹ 1,00,000 out of total purchases were not received during the month.
- (2) Purchased machinery for manufacturing process worth ₹ 2,00,000 from MPQ Pvt. Ltd., a GST registered dealer, located at Bengaluru, Karnataka. Company has claimed depreciation under Income Tax Act 1961 on full value of the machine, including the GST component.
- (3) Purchased truck worth ₹ 15,00,000 from GST registered dealer, located at Ajmer, Rajasthan for transportation of its goods. GST rate on truck is: CGST 14%, SGST 14%, IGST 28%.
- (4) Purchased car (having seating capacity of 7 persons) costing to ₹ 10,00,000 excluding GST from Mihir Automobiles Pvt. Ltd., a GST registered dealer, located at Ajmer, Rajasthan for use of its director for official purpose. GST rate on car: CGST 14%, SGST 14%, IGST 28%.

- (5) Purchased goods worth ₹ 5,00,000 from DEF Buildwell Pvt. Ltd., a registered person of Jaipur, Rajasthan for construction of an additional floor of factory building, of Evershine Pvt. Ltd.

Opening balance of Input tax credit as on the beginning of September 2023 – CGST ₹ 20,000, SGST ₹ 50,000 and IGST ₹ 75,000.

Rate of GST applicable on both inward and outward supply of goods & services : CGST 9%, SGST 9% and IGST @18%, except where otherwise provided.

Notes:

- (i) All the figures mentioned above are exclusive of taxes.
- (ii) Subject to the information given above, conditions necessary for claiming ITC were complied with.
- (iii) All inward supplies are used for taxable goods only.
- (iv) Brief and suitable notes should form part of your answer.

Calculate the amount of net minimum GST payable in cash by Evershine Pvt. Ltd. for the month of September 2023.

**Question 5 (b)**

**(5 Marks)**

Mr. Ravindra, a registered person in Bhopal, Madhya Pradesh has provided the following information regarding outward transactions made during the month of January 2024:

- (1) He was appointed by recognized sports body as a chief selector of hockey team and received ₹ 5,00,000 as remuneration.
- (2) Services of pure labour contract was provided for construction of independent residential unit for ₹1,80,000.
- (3) He rented out his warehouse for warehousing of sugarcane and received rental income of ₹ 75,000.
- (4) Provided services to Municipal Corporation of Bhopal for slum improvement and upgradation for ₹6,50,000.
- (5) He has charged consideration of ₹ 1,25,000 against western music dance performance in an event.

You are required to compute the taxable value of supply on which GST is to be paid by Mr. Ravindra for the month for January 2024. All the amount stated above are exclusive of GST, wherever applicable. Suitable Notes should form part of answer.

**Question 6 (a)**

**(5 Marks)**

As per CGST Act 2017, Vishnu Limited was not mandatorily required to get registered, however they opted for voluntary registration and applied for registration on 12<sup>th</sup> February 2024. Registration certificate has been granted by department on 24<sup>th</sup> February 2024. Vishnu Limited is not engaged in making inter-state outward taxable supplies. The CGST and SGST liability for the month of February 2024 is ₹ 31,000 each. Vishnu Limited provides the following information of goods held in stock on 23<sup>rd</sup> February 2024:

Sr. No.	Particulars	Amount (₹)
1.	Capital goods procured on 5 <sup>th</sup> February 2024, (Rate of CGST and SGST @ 6% each) being intra-state supply.	2,00,000
2.	Inputs contained in finished goods stock held were procured on 13 <sup>th</sup> February 2023 (Rate of IGST @ 18%) being inter-state supply.	3,00,000
3.	Value of Inputs received on 10 <sup>th</sup> October 2023 contained in semi-finished goods held in stock (Rate of CGST and SGST @ 6% each) being intra-state supply.	2,50,000
4.	Input procured on 1 <sup>st</sup> February 2024 lying in stock of semi-finished goods (Rate of CGST and SGST @ 7.5% each) being intra-state supply.	1,50,000
5.	Inputs procured on 8 <sup>th</sup> February 2024 lying in stock of finished goods. (Rate of IGST @ 18%) being inter-state supply.	60,000

You are required to determine the eligible ITC available and amount of net minimum GST to be paid in cash by Vishnu Limited for the month of February 2024.

**Question 6 (b)**

**(5 Marks)**

Examine the following independent cases and determine the place of supply:

- (1) Mr. Joy, an unregistered person of Kolkata, West Bengal sends a courier through Kolkata, West Bengal based Mohan Courier Agency to his sister in Mumbai, Maharashtra.
- (2) Mr. Nitin, an unregistered person resides at Rewa, Madhya Pradesh books a two way air journey ticket from Prayagraj, Uttar Pradesh to Jaipur, Rajasthan on 6<sup>th</sup> September and back. He leaves Prayagraj on 11<sup>th</sup> September in a morning flight and lands in Jaipur the same day. He leaves Jaipur on 15<sup>th</sup> September in a late night flight and lands in Prayagraj the next day.
- (3) Rimjhim Pvt. Ltd., located in Lucknow, Uttar Pradesh, purchases a manufacturing machine from Manav Steel Industries Ltd., located at Jaipur, Rajasthan, for being installed in its factory located at Haridwar, Uttarakhand.

**Question 7 (a)**

**(5 Marks)**

GSTR 3B for the month of January 2024 has been filed by M/S Avisha Limited a registered person within the due date prescribed by the CGST Act 2017 which is on February 20<sup>th</sup>, 2024. It came to the notice of the Co. that tax due for the month of January 2024 has been paid short by ₹ 16,000. The short fall of ₹ 16,000 has been paid through cash ledger and credit ledger at the time of filing GSTR 3B for the month of February 2024 on March 20<sup>th</sup>, 2024 in the following manner:

Particulars	Cash Ledger	Credit Ledger
Shortfall	₹ 12,000	₹ 4,000

Assume that electronic cash ledger and credit ledger carry sufficient balance for the above short fall.

- (i) You are required to calculate the amount of interest payable if any under Section 50 of CGST Act 2017 and Rule 88B of CGST Rules 2017.
- (ii) Give the effect if GSTR 3B for the month of January 2024 had been filed belatedly on March 20, 2024 and all other conditions remaining same.

Calculation should be rounded off to nearest rupee. As 2024 is leap year, give effect of same.

**Question 7 (b)**

**(5 Marks)**

Who is liable to deduct TCS (collection of tax at source) under Section 52 of the CGST Act 2017? Briefly explain the provisions relating to registration, filing of return and deposit of TCS to Government as per the provisions of section 52 of CGST Act 2017 and Rule 12 of CGST Rules 2017.

**Question 8 (a)**

**(5 Marks)**

Describe the conditions to be satisfied for availing deduction of post supply discounts from the value of supply as per the provisions of Section 15(3) of the CGST Act 2017.

**Question 8 (b)**

**(5 Marks)**

Mohan Enterprise is a registered person having principal place of business in Gandhinagar, Gujarat. They received services of Advocate Sameer a registered person from Ahmedabad, Gujarat. Shekhar, an unregistered person provided services of labour to Mohan Enterprise. Explain the provisions relating to issue of invoice by recipient Mohan Enterprise if he is liable to pay tax under reverse charge under Section 9(3) or 9(4) of the CGST Act 2017.