

MKG

MOCK TEST-4

MAY 23/NOV 23

Full Syllabus except Salary

ATTEMPT ALL QUESTIONS

Roll No ...875126.....

Time allowed: 3 hours

Maximum Marks: 100

MCQ BOOKLET NO. 4022023

PAPER CODE- MKG

MULTIPLE CHOICE QUESTIONS
INCOME TAX 18 Marks & GST 12 Marks

Ms. Chanchal, aged 45, provides the following data of her gross receipts for the financial year 2021-22 and 2022-23. 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 (₹)
2021-22	78,00,000	43,00,000	1,21,00,000
2022-23	85,00,000	47,00,000	1,32,00,000

During the F.Y. 2022-23, 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 28.05.2022 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. 2022-23: 331, F.Y. 2019-20: 289).

The brought forward long-term capital loss from unlisted shares of F.Y. 2021-22 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. 2022- 23?

- (a) Yes, as the total gross receipts exceeds ₹ 1,00,00,000
- (b) No, as the gross receipts from business or profession are below the specified threshold limits.
- (c) Yes, as the gross receipts from business exceed ₹ 50,00,000
- (d) 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. 2022-23?

- (a) ₹ 1,200
- (b) ₹ 26,200
- (c) Nil
- (d) ₹ 27,400

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

- (a) ₹ 10,00,000 and Short-term capital gain.
- (b) ₹ 12,00,000 and Short-term capital gain.
- (c) ₹ 4,18,685 and Long-term capital gain.
- (d) ₹ 9,50,000 and Long-term capital gain.

4. What is the amount of losses which can be carried forward to A.Y. 2024-25, assuming that business income is ₹ 45,00,000 and income from profession is ₹ 25,00,000 for the P.Y. 2022-23?

- (a) ₹ 7,80,000 under section 74
- (b) ₹ 70,00,000 under section 73
- (c) ₹ 3,61,315 under section 74
- (d) ₹ 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. 2021-22, 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 21-12-2022 but payment were made in instalments. 1st Instalment of ₹5,00,000 as advance was payment on 15-11-2022, 2nd Instalment of ₹45,00,000 on 25-03-2023 and balance amount ₹13,00,000 on 31-03-2023. Determine the TDS liability for Mr. Ajay Sahu, if any, for A.Y. 2023-24?

- (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 01.05.2022 towards fee for legal advisory services without deduction of tax at source. Another payment of ₹47,000 was due to Mr. Goel on 31.07.2022 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 15.11.2022. 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. 2022-23. Is she required to file return for A.Y. 2023-24? If yes, what is the due date?

- (a) Yes; 31st July, 2023
- (b) Yes; 30th September, 2023
- (c) Yes; 31st August, 2023
- (d) No, she is not required to file return of income for A.Y. 2023-24

8. Mr. A, a salaried individual, pays rent of ₹51,000 per month to Mr. B from June,2022. 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 2023.

9. Mr. X has a total income of ₹ 7 lakhs for A.Y. 2023-24. He files his return of income for A.Y. 2023-24 on 13th December, 2023. 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. 2022-23 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.2023-24 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. The ceiling limit of deduction under section 24(b) in respect of interest on loan taken on 1.4.2020 for repairs of a self-occupied house is

- (a) ₹30,000 p.a.
- (b) ₹1,50,000 p.a.
- (c) ₹2,00,000 p.a.
- (d) No limit

12. Mr. X taken Mediclaim policy for his parents who is senior citizen and paid premium by cheque of ₹35,000. Deduction allowed u/s 80D shall be:

- (a) ₹25,000
- (b) ₹35,000
- (c) ₹50,000
- (d) Nil

13. 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.2022-23. Compute income from house property for A.Y.2023-24.

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

14. 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

15. 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. 2022-23, 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

16. Ashok took possession of property on 31st August 2022 booked by him three years back at ₹25 lakhs, The Stamp Duty Value (SDV) of the property as on 31st August 2022 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. 2022-23
- (b) ₹4 lakhs in P.Y. 2019-20
- (c) ₹6 lakhs in P.Y. 2021-22
- (d) No income shall be taxable, since down payment was paid by A/c cheque while booking the property

17. 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.2022-23 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
2021-22	125
2020-21	106
2019-20	83
2018-19	78
2017-18	37
2016-17	40
2015-16	35

You are his tax consultant. Advise him on his residential status for the P.Y. 2022-23.

- (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

18. The current year loss under the head house property can be set off from other heads maximum upto_____.

- (a) ₹ 1,50,000
- (b) ₹ 2,00,000
- (c) ₹ 2,50,000
- (d) ₹ 3,00,000

19. 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

20. 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 21 to 24

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 [21 to 24]-

21. 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

22. 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

23. 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

24. 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.

25. 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 26 to 30

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 31st October of the next year, whereas due date for the said Annual return is 31st December of the next year.

Proper Officer of the department cancelled the registration certificate of Ms. Adisha suo-motu on 31st July. Order of cancellation was served on 5th 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 -

26. 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)

27. 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

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

- (a) 5th August
- (b) 20th August
- (c) 30th August
- (d) 4th September

29. Maximum time permissible for rectification of error committed in monthly return of June is _____

- (a) 20th July
- (b) 20th October of the next year
- (c) 31st October of the next year
- (d) 31st December of the next year

30. 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)

INCOME TAX
SUBJECTIVE TYPE QUESTIONS (42 Marks)

Question 1.**(10 Marks)**

Mr. Murari, a resident individual, age 48 years provides consultancy services in the field of accountancy. His Income and Expenditure account for the year ended 31st March, 2023 is as follows :

Income and Expenditure account for the year ending 31st March, 2023

Expenditure	Amount (₹)	Income	Amount (₹)
To Salary	3,00,000	By Consulting fees	8,00,000
To Motor car expenses	58,000	By Share of Profit from HUF	25,000
To Depreciation	47,500	By Interest on saving bank deposits	15,000
To Medical expenses	70,000	By Interest on income tax refund	8,000
To Purchase of computer	80,000		
To Bonus	10,000		
To General expenses	55,000		
To Office & administrative	75,000		
To Excess of income over expenditure	1,52,500		
	8,48,000		8,48,000

The following other information relates to the financial year 2022-2023:

(1) Salary includes a payment of ₹12,000 per month to his brother-in-law who is in-charge of the marketing department. However, in comparison to similar business, the reasonable salary of a marketing supervisor is ₹10,000 per month.

(2) Interest on saving bank deposit belongs to his wife who has deposited the money out of the pocket money given to her every month.

(3) Written down value of the assets as on 1st April, 2022 are as follows :

Motor Car (40% used for personal use)	₹2,00,000
Furniture and Fittings	₹50,000

(4) Medical expenses includes:

- Family planning expenditure ₹15,000 incurred for the employees which was revenue in nature.
- Medical expenses for his father ₹35,000. (Father's age is 65 years)

(5) The computer was purchased on 5th June, 2022 on credit. The total invoice was paid in the following manner:

- ₹18,000 paid in cash as down payment on the date of purchase.
- Remaining amount was paid through account payee cheque on 10th August, 2022.

(6) Bonus was paid on 31st October, 2023.

(7) General expenses include commission payment of ₹22,000 to Mr. Sridhar for the promotion of business on 17th September, 2022 without deduction of tax at source.

(8) He also received gold coins from a family friend on the occasion of marriage anniversary on 5th December, 2022. The market value of the coins on the said date was ₹55,000.

Compute the total income and the tax liability of Mr. Murari for the assessment year 2023-2024

Question 2 (a).**(5 Marks)**

Examine whether TDS provisions would be attracted in the following cases, and if so, under which section. Also specify the rate of TDS and amount required to be deducted at source as applicable in each case. Assume that all payment are made to residents.

S.No.	Particulars of the payer	Nature of Payment	Aggregate of payments made in the F.Y. 2022-23 (Amt. in ₹)
(A)	Mr. Kale, receiving pension from Central Government	Contractual payment made during April 2022 for reconstruction of his residential house in Arunachal Pradesh	52,50,000
(B)	Mr. Rahul, a wholesale trader of spices whose turnover was ₹ 5 crores in F.Y. 2021-22	Contract payment for Construction of Office godown during January to March, 2023 to Mr. Akhilesh, and individual	50,00,000
(C)	Mr. Golu, an individual carrying on garment trading business with turn-over of ₹ 95 lakhs in F.Y. 2021-22	Payment of commission to Mr. Vinay for securing a contract for big Business House in November 2022	1,20,000
(D)	XYZ Urban Co-operative bank	Payment by way of cash withdrawal, by ABC & Co. a partnership firm, amounting ₹ 1.2 crores during Financial year 2022-23 ABC & Co. has filed his tax returns for the last 3 financial year with in time.	1,20,00,000

Question 2 (b).**(5 Marks)**

Mr. Rajan provides you the following details with regard to sale of certain securities by him during F.Y. 2022-23:

(i) Sold 10000 shares of A Ltd. on 05-04-2021 @ ₹ 650 per share

A Ltd. is a listed company. These shares were acquired by Mr. Rajan on 05-04-2016 @ ₹ 100 per share. STT was paid both at the time of acquisition as well as at the time of transfer of such shares which was affected through a recognized stock exchange. On 31-01-2018, the shares of A Ltd. were traded on a recognized stock exchange as under:

Highest price - ₹ 300 per share

Average price - ₹ 290 per share

Lowest price - ₹ 280 per share

(ii) Sold 1000 units of B Mutual Fund on 20-04-2022 @ ₹ 50 unit

B Mutual Fund is an equity oriented fund. These units were acquired by Mr. Rajan on 15-04-2017 @ ₹ 10 per unit. STT was paid only at the time of transfer of such units. On 31-01-2018, the Net Asset Value of the units of B Mutual Fund was ₹ 55 per unit.

(iii) Sold 100 shares of C Ltd. on 25-04-2022 @ ₹ 200 per share

C Ltd. is an un-listed company. These shares were issued by the company as bonus shares on 30-09-1997. The Fair Value of these shares as on 01-04-2001 was ₹ 50 per share.

Cost Inflation Index for various financial year are as under:

2001-02 - 100

2016-17 - 264

2017-18 - 272

2022-23 - 331

Calculate the amount chargeable to tax under the head 'Capital Gains' and also calculate tax on such gains for A.Y. 2023-24 assuming that the other incomes of Mr. Rajan exceeds the maximum amount not chargeable to tax. (Ignore surcharges and cess).

Question 3 (a).**(5 Marks)**

Mrs. X and Mrs. Y are sisters and they earned the following income during the Financial Year 2022-23. Mrs. X is settled in Malaysia since 2017 and visits India for a month every year. Mrs. Y is settled in Indore since her marriage in 2017. Compute the total income of Mrs. X and Mrs. Y for the assessment year 2023-24:

Sl. No.	Particulars	Mrs. X ₹	Mrs. Y ₹
(i)	Income from Profession in Malaysia, (set up in India) received there	15,000	-
(ii)	Profit from business in Delhi, but managed directly from Malaysia	40,000	-
(iii)	Rent (computed) from property in Malaysia deposited in a Bank at Malaysia, later on remitted to India through approved banking channels.	1,20,000	-
(iv)	Cash gift received from a friend on Mrs. Y's 50 th birthday	-	51,000
(v)	Agricultural income from land in Maharashtra	7,500	4,000
(vi)	Past foreign untaxed income brought to India	5,000	-
(vii)	Fees for technical services rendered in India received in Malaysia	25,000	-
(viii)	Income from a business in Pune (Mrs. X receives 50% of the income in India)	12,000	15,000
(ix)	Interest on debentures in an Indian company (Mrs. X received the same in Malaysia)	18,500	14,000
(x)	Short-term capital gain on sale of shares of an Indian company	15,000	25,500
(xi)	Interest on Fixed Deposit with SBI in India	12,000	8,000

Question 3 (b).**(5 Marks)**

Mr. X has income from business/profession ₹6,00,000 and long term capital gain ₹4,00,000 and short term capital gain u/s 111A ₹2,00,000 and casual income ₹1,00,000.

He has paid premium of a mediclaim policy amounting to ₹20,000 taken in the name of his dependant grand father who is senior citizen and payment was made by a cheque on 09.01.2023.

He has given premium of Jeevan Suraksha policy ₹7,000, has donated ₹12,000 to the National Defence Fund, ₹4,000 to Rajiv Gandhi Foundation and ₹3,00,000 to a charitable institution and ₹1,00,000 to a social organization and ₹4,00,000 to religious organization and all such organization are notified under section 80G. (all the donations was made by cheque)

Compute his total income and tax liability for A.Y. 2023-24.

Question 4 (a)**(4 marks)**

Mr. X, aged 62 years, earned professional income (computed) of ₹5,50,000 during the year ended 31.03.2023. He has earned interest of ₹14,500 on the saving bank account with State Bank of India during the year. Compute the total income of Mr. X for the assessment year 2023-24 from the following particulars:

(i) Life insurance premium paid to Birla Sun life Insurance in cash amounting to ₹25,000 for insurance of life of his dependent parents. The insurance policy was taken on 15.07.2022 and the sum assured on life of his dependent parents is ₹ 1,25,000.

(ii) Life insurance premium of ₹ 25,000 paid for the insurance of life of his major son who is not dependent on him. The sum assured on life of his son is ₹1,75,000 and the life insurance policy was taken on 18.04.2011.

(iii) Life insurance premium paid by cheque of ₹ 22,500 for insurance of his life. The insurance policy was taken on 08.09.2022 and the sum assured is ₹ 2,00,000.

(iv) Premium of ₹ 16,000 paid by cheque for health insurance of self and his wife (₹8,000 for self and ₹8,000 for spouse).

(v) ₹1,500 paid in cash for his health check-up and ₹ 4,500 paid in cheque for health checkup for his parents.

(vi) Paid interest of ₹ 6,500 on loan taken from bank for MBA course pursued by his daughter.

(vii) A sum of ₹ 15,000 donated in cash to an institution approved for purpose of section 80G for promoting family planning.

(viii) Contribution ₹ 10,500 made in cheque to an electoral trust.

Question 4 (b).

(4 Marks)

Examine the taxability of Capital gains in the following scenarios for the Assessment Year 2023-24, determine the taxable amount and rate of tax applicable:

- (i) On 28th February, 2023 10,000 shares of XY Ltd., a listed company are sold by Mr. B @ 550 per share and STT was paid at the time of sale of shares. These shares were acquired by him on 5th April, 2017 @ 395 per share by paying STT at the time of purchase. On 31st January, 2018, the share of XY Ltd. were traded on a recognized stock exchange at the Fair Market Value of ₹ 390 per Share.
- (ii) Mr. A is the owner of residential house which was purchased on 1st September, 2016 for ₹9,00,000. He sold the said house on 4th September, 2022 for ₹ 19,00,000. Valuation as per stamp valuation authorities was ₹ 45,00,000. He invested ₹ 19,00,000 in NHAI Bonds on 21st March 2023.

The Cost Inflation index for-

F.Y. 2016-2017 - 264

F.Y. 2022-2023 - 331

Question 4 (c)

(4 Marks)

Mr. Prakash is in the business of operating goods vehicles. As on 1st April, 2022, he had the following vehicles:

Vehicle	Gross Vehicle Weighted (in Kgs.)	Date of Purchase	Put to use during F.Y. 2021-22
A	8500	02-04-2021	Yes
B	13000	15-05-2021	Yes
C	12000	04-08-2021	No (as under repairs)

During P.Y. 2022-23, he purchased the following vehicles:

Vehicle	Gross Vehicle Weight (in Kgs.)	Date of Purchase	Date on which put to use
D	11000	30-4-2022	10-5-2022
E	15000	15-5-2022	18-5-2022

Compute his income under Section 44AE of the Income Tax Act, 1961 for A.Y. 2023-24.

GST

SUBJECTIVE TYPE QUESTIONS (28 Marks)

Question 1 (a)
(5 Marks)

Mr. X is a dealer registered in GST and has purchased one Plant and Machinery on 01/10/2022 ₹ 60,00,000 + CGST @10% + SGST @ 10%. He purchases raw material ₹ 30,00,000 + CGST @ 12% + SGST @ 12% on first of every month. He is manufacturing two products A & B. Product A is exempt and Product B is taxable. Turnover of product A in October 2022 is ₹22,00,000 and Turnover of product B is ₹32,00,000. Rate of CGST @ 15% and SGST @ 15%. Compute ITC/ Output tax/ Net Tax for the month of October 2022.

Question 1 (b)
(5 Marks)

Examine the following cases and explain with reasons whether the supplier of goods is liable to get registered in GST:

- (i) Krishna of Himachal Pradesh is exclusively engaged in intrastate taxable supply of readymade suits. His turnover in the current financial year from Himachal Pradesh showroom is ₹ 25 lakh. He has two more showrooms one in Manipur & another in Sikkim with a turnover of ₹ 15 lakh and ₹ 18 lakh respectively in the current financial year.
- (ii) Ankit of Telangana is exclusively engaged in intra-state taxable supply of footwears. His aggregate turnover in the current financial year is ₹ 25 lakh.
- (iii) Aakash of Uttar Pradesh is exclusively engaged in intra – state supply of pan masala. His aggregate turnover in the current financial year is ₹ 30 lakh.

Question 2 (a)
(5 Marks)

Mr. Nimit, a supplier of goods, pays GST under regular scheme. He is not eligible for any threshold exemption. He has made the following outward taxable supplies in the month of August, 2022:-

Intra state supplies of goods ₹6,00,000

Inter state supplies of goods ₹2,00,000

He has also furnished following information in respect of purchases made by him from registered dealers during August, 2022:-

Intra state purchase of goods ₹4,00,000

Inter state purchase of goods ₹50,000

Balance of ITC available at the beginning of the August 2022:-

CGST ₹15,000

SGST ₹35,000

IGST ₹20,000

Note:

- (i) Rate of CGST, SGST and IGST to be 9%, 9% and 18% respectively, on both inward and outward supplies.
- (ii) Both inward and outward supplies given above are exclusive of taxes, wherever applicable.
- (iii) All the conditions necessary for availing the ITC have been fulfilled.

Compute the net GST payable by Mr. Nimit for the month of August, 2022.

Question 2 (b)
(5 Marks)

Green Agro Services, a registered person provides the following information relating to its activities during the month of February, 2023:

Gross Receipts from	(₹)
Services relating to rearing of sheep	6,00,000
Services by way of artificial insemination of horses	4,00,000

Processing of sugarcane into jaggery	8,00,000
Milling of paddy into rice	7,50,000
Services by way of fumigation in a warehouse of agricultural produce	1,80,000

All the above receipts are exclusive of GST.

Compute the value of taxable supplies under GST laws for the month of February, 2023.

Question 3 (a)

(4 Marks)

Explain the circumstances under which proper officer can cancel the registration on his own of a registered person under CGST Act, 2017.

Question 3 (b)

(4 Marks)

M/s XYZ & Co., a firm of Chartered Accountants, issued invoice for services rendered to Mr. A on 7th September, 2022. Determine the Time of Supply in the following independent cases:

- (1) The provision of service was completed on 1st August, 2022.
- (2) The provisions of service was completed on 14th August, 2022.
- (3) Mr. A made the payment on 3rd August, 2022 where provisions of service was remaining to be completed.
- (4) Mr. A made the payment on 15th September, 2022 where provision of service was remaining to be completed.

SPACE FOR ROUGH WORK