

MKG

MOCK TEST-8

NOV 23

Full Syllabus

ATTEMPT ALL QUESTIONS

Roll No ...862148.....

Time allowed: 3 hours

Maximum Marks: 100

MCQ BOOKLET NO. 08102023

PAPER CODE- MKG

MULTIPLE CHOICE QUESTIONS
INCOME TAX 18 Marks & GST 12 Marks

(MCQs Question 1 Mark Each)

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:

- Is Ms. Chanchal liable to tax audit under the Income-tax Act, 1961 for the P.Y. 2022-23?
 - 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
- What is the total amount of tax to be deducted by Ms. Chanchal for P.Y. 2022-23?
 - ₹ 1,200
 - ₹ 26,200
 - Nil
 - ₹ 27,400
- 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.
 - ₹ 4,18,685 and Long-term capital gain.
 - ₹ 9,50,000 and Long-term capital gain.
- 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?
 - ₹ 7,80,000 under section 74
 - ₹ 70,00,000 under section 73
 - ₹ 3,61,315 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. 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) 30th November 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)**

Mr. Rohan retired from M/s. QRST Ltd. a private sector company, on 31st March, 2023 after completing 28 years and 3 months of service. He received the following sums/gifts on his retirement:

- (i) Gratuity of ₹ 7,50,000. He was covered under the Payment of Gratuity Act, 1972.
- (ii) Leave encashment of ₹ 3,25,000 for 210 days leave balance in his account. He was credited with 30 days leave for each completed year of service.
- (iii) Crockery set worth ₹ 4,500 from his employer at the farewell party which was organised by the HR department a day before his retirement.

He drew a basic salary of ₹ 25,000 per month alongwith 50% of basic salary as dearness allowance (not forming part of retirement benefits) for the period from 1st April, 2022 to 31st March, 2023.

Further, during the year, his employer provided him a motor car of 1800 cc which was used by him and his family solely for personal purposes. The cost of fuel and repairs were met by Mr. Rohan himself. The car was purchased by the employer on 1st April, 2021 at a cost of ₹ 8,00,000. Salary of driver amounting to ₹ 10,000 per month was met by the employer only. Upon retirement, he gave the car back to the employer.

You are required to compute the taxable salary of Mr. Rohan for A.Y.2023-24 assuming that he neither claims any relief under section 89 nor does he opt to pay tax under section 115BAC.

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

Mr. Ray, a resident individual, aged 37 years gives the following information with respect to various loans taken by him from scheduled banks for various purposes-

- (i) A housing loan of ₹ 36,00,000/- taken on 15th March, 2022 for the purchase of a house to be used for self-residence at a cost of ₹ 47,00,000/-. The stamp duty value of the house was ₹ 42,00,000/- at the time of purchase. Amount of re-payment of loan during P.Y.2022-23 was:
 - (A) towards principal - ₹ 1,25,000/-
 - (B) towards interest - ₹ 3,65,000/-

This is the first and only residential house owned by Mr. Ray.

- (ii) A vehicle loan of ₹ 16,00,000/- taken on 31st October, 2021 for the purchase of electric vehicle for personal use. Amount of re-payment of loan during P.Y.2022-23 was:
 - (A) towards principal - ₹ 75,000/-
 - (B) towards interest - ₹ 1,90,000/-

Besides these loans, he has also paid a sum of ₹ 15,000 to a political party as contribution. The entire amount was paid in cash.

You are required to compute the amount of deduction(s) available to Mr. Ray under various provisions of Income-tax Act for A.Y.2023-24 so that he gets the maximum benefits assuming that he does not opt to pay tax under section 115BAC.

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)**

From the following transactions compute the total income of Mr. Raman and his wife Savita for the Assessment year 2023-24.

- Mr. Raman had a fixed deposit of ₹ 5,00,000 in the bank. He instructed the bank to credit the interest on deposit @6% from 01-04-2022 to 31-03-2023 to the savings account of his brother's son for his education.
- Savita is a B.com graduate and working in the ABC Private Limited as an accountant with a monthly salary of ₹ 25,000. Raman holds 30% equity shares of the ABC Private Limited.
- Raman started proprietary business on 01-04-2000 with a capital of ₹ 10,00,000. He incurred a loss of ₹ 2,00,000 during the previous year 2021-22. To overcome the financial position, Savita gifted a sum of ₹ 4,00,000 to him on 01-04-2022 which was immediately invested in the business by Mr. Raman. He earned a profit of ₹ 3,00,000 during the previous year 2022-23
- Sajan, younger son of Raman, aged 17 years won in a debate competition during the annual competitions held at his school and received a cash award of ₹ 10,000 and he also earned interest of ₹ 7,000 on balance maintained in his savings bank account.

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:

- 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.
- 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.
- 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.
- Premium of ₹ 16,000 paid by cheque for health insurance of self and his wife (₹8,000 for self and ₹8,000 for spouse).
- ₹1,500 paid in cash for his health check-up and ₹ 4,500 paid in cheque for health checkup for his parents.
- Paid interest of ₹ 6,500 on loan taken from bank for MBA course pursued by his daughter.
- A sum of ₹ 15,000 donated in cash to an institution approved for purpose of section 80G for promoting family planning.
- Contribution ₹ 10,500 made in cheque to an electoral trust.

Question 4 (b).**(4 Marks)**

What is the time limit within which an updated return can be filed? Also enumerate the circumstances in which updated return cannot be furnished.

Question 4 (c)**(4 Marks)**

Examine whether the following are chargeable to tax and the amount liable to tax:

- (i) Interest on enhanced compensation ₹ 3,00,000 received on 31.03.2023 from Government of Tamil Nadu towards urban land acquired by it. 40% of enhanced compensation interest pertains to previous year 2021-22.
- (ii) Narayanan transferred 1000 shares of BS Ltd to AB Pvt. Ltd on 01-06-2022 for a consideration of ₹2,00,000 when the fair market value of the same as on transaction date was ₹ 3,00,000. The indexed cost of acquisition of shares for Narayanan was ₹ 2,75,000. The transfer was effected off market on which securities transaction tax was not paid. BS Ltd is a closely held unlisted company.
- (iii) Mr. A received ₹ 5,00,000 on 1st March 2023 from Sree Pushpaka Charitable Trust for meeting his medical expenses. The trust is registered under section 12AB of Income-tax Act.

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)

Rule 86B restricts the use of Input Tax Credit (ITC) available in the Electronic Credit Ledger for discharging output tax liability. List down the exceptions to the rule 86B.

Question 2 (a)
(5 Marks)

Mr. Manik provides the following information regarding his tax & other liabilities under GST Act as per Electronic Liability Register:

Sr. No.	Particulars	Amt. (₹)
1.	Tax due for the month of May	25,000
2.	Interest due for the month of May	2,000
3.	Penalty due for the month of May	3,000
4.	Tax due for the month of June	35,000
5.	Liability arising out of demand notice U/s 73	48,000

Mr. Manik wants to clear his liability of demand notice U/s 73 first.

Discuss the provisions of order of discharge of GST liability U/s 49(8) of CGST Act & advice to Mr. Manik.

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 sheeps	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)**

List any three situations that warrant issue of credit note. Briefly explain the time line to declare such credit note in the GST return.

Question 3 (b)**(4 Marks)**

Answer the following, after reading the below given two paragraphs:

- (i) Briefly discuss the relevant provision
 - (ii) decide the correct conclusion and
 - (iii) determine the validity of the given advice (Correct/Incorrect)
- (I)** Raju is engaged in the manufacture of 'Fly ash Bricks' in the State of Kerala. He started his activity in the month of April 2022 and deals only in intra-State. His tax consultant advised him to register under composition levy under GST as Raju's turnover is expected to be below ₹ 1 crore for the said financial year.
- (II)** Dharun provides service as a business facilitator to Zio Bank Limited by facilitating in opening of bank accounts to villagers in its rural branches in Punjab and earned a commission of ₹ 22 lakh in the month of April, 2022. So far he is not registered under GST. Dharun's tax consultant advised him that he is liable for registration under GST as his gross receipts exceeded ₹ 20 lakh. Dharun has no other receipt / business activity other than the above.

SPACE FOR ROUGH WORK