

MOCK TEST PAPER 1
INTERMEDIATE COURSE
PAPER – 4: TAXATION

Time Allowed – 3 Hours

Maximum Marks – 100

SECTION – A: INCOME TAX LAW (60 MARKS)

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

The relevant assessment year is A.Y.2022-23.

Division A – Multiple Choice Questions

Write the most appropriate answer to each of the following multiple choice questions by choosing one of the four options given. All questions are compulsory.

1. Anjali is a research scholar pursuing her PhD. She is unmarried and her parents are living in Ahmedabad, Gujarat. Her parental grandparents and other family relatives are staying in South Africa. She was in India with her parents till May 2017. After then, she went to London for further education. In October 2020, she returned to India. On 28th March 2021, she travelled out of India to Johannesburg, in South Africa, for her research project and Khadi business exhibitions. She returned on 1st October 2021 to participate in the 152nd Birth Anniversary Celebrations of Mahatma Gandhi. In this connection, she attended numerous events held all over India, while also holding exhibitions for her textile business in 'Khadi - the fabric that breathes, the livery of freedom' - as showcased by Mahatma Gandhi. She won accolades and awards, gifts and donations in the course of showcasing her work. You have been provided with the following data in respect of her receipts and income for the F.Y. 2021-22

S. No.	Details	Amount (₹)
1.	Scholarship for pursuing her research work	4,80,000
2.	Gross receipts from exhibitions held in South Africa in collaboration with the leading Fashion House	10,00,000
3.	Gross receipts from exhibitions held in India	12,00,000
4.	Gross receipts from sale of Honey in the exhibitions in India	1,05,000
5.	Gross receipts from sale of Handmade Khadi designer fashion accessories and other Khadi stationery products	2,25,000
6.	Gift from father's sister whom she visited in Johannesburg, South Africa	51,000
7.	Cash gifts received from friends in 'Gandhi Gujarat Seva Samaj' with whom she stayed while in Johannesburg, South Africa.	27,000
8.	Received share of income from the HUF	22,000
9.	Cost of material for exhibitions held in South Africa and India - ₹ 12,00,000; Cost of Handmade Khadi designer fashion accessories and other Khadi stationery products - ₹ 1,00,000; Other eligible Business expenses - ₹ 4,00,000; Cost of Honey purchased for sale in the exhibitions in India – ₹ 55,000.	
10.	Mr. Patel of South Africa gave her a cheque of ₹5,00,000 favouring 'Gandhi Smarak Trust' as donation to the Trust. She was requested to hand over the cheque to the Trust's office at Ahmedabad.	

Notes:

1. Anjali does not manufacture any of the Khadi products. She sourced all the Khadi materials, accessories, products and honey from suppliers of such items.
2. All financial transactions are carried out in account payee cheques and TDS has been deducted, wherever applicable.
3. Her paternal grandfather is the Karta of the family HUF. Her paternal grandfather comes on visit in India for 6 months every year since 2014. The HUF is managed outside India and all decisions regarding the HUF are made outside India.
4. Anjali does not want to opt for the provisions of section 115BAC.

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

(4 x 2 Marks)

- (i) What is the residential status of Anjali for the A.Y. 2022-23?
 - (a) Non-resident
 - (b) Resident but not ordinarily resident
 - (c) Deemed resident
 - (d) Resident and ordinarily resident
- (ii) What is the residential status of HUF for the A.Y. 2022-23?
 - (a) Resident and ordinarily resident
 - (b) Resident but not ordinarily resident
 - (c) Non-resident
 - (d) Deemed resident
- (iii) Determine the taxability of gift received by Anjali from her father's sister and from her friends in 'Gandhi Gujarat Seva Samaj' for the A.Y. 2022-23?
 - (a) ₹ 51,000 will be exempt as it is a gift received from a relative. ₹ 27,000 received as cash gifts from her friends would not be taxable as all her friends are non-residents.
 - (b) ₹ 51,000 will be taxed as "Income from other sources" as father's sister is not a relative. ₹ 27,000 received as cash gifts from friends will also be taxable as the total gifts from non-relatives during the A.Y. 2022-23 exceeds ₹ 50,000.
 - (c) ₹ 51,000 will be exempt as it is a gift received from a relative. ₹ 27,000 received as cash gifts from friends will be taxed as amount is paid in cash and is received from non-residents.
 - (d) ₹ 51,000 will be exempt as it is a gift received from a relative. ₹ 27,000 received as cash gifts from friends will not be taxable as the total gifts received from non-relatives during the A.Y. 2022-23 does not exceed ₹ 50,000.
- (iv) What would be the total income of Ms. Anjali for A.Y. 2022-23 if she wishes to maximize tax savings?
 - (a) ₹ 12,55,000
 - (b) ₹ 8,02,000
 - (c) ₹ 1,51,800
 - (d) ₹ 7,75,000

2. Mr. Kumar, engaged in wholesale business of clothes and speculative business, discontinued its operations on 19.10.2021 and 30.09.2021, respectively. The cloth business loss upto 19.10.2021 for P.Y. 2021-22 was ₹ 8,000 and speculative business loss upto 30.09.2021 for P.Y. 2021-22 was ₹ 40,000. Out of total bad debts of ₹ 1,00,000 that were claimed by Mr. Kumar in respect of a particular debtor of cloth business, ₹ 60,000 was allowed by the Assessing Officer in P.Y. 2020-21. On 29.01.2022, Mr. Kumar received a sum of ₹ 68,000 from the debtor in full and final settlement. How much amount would be taxable in the hands of Mr. Kumar for A.Y. 2022-23?
- (a) ₹ 28,000
 (b) ₹ 20,000
 (c) ₹ 60,000
 (d) ₹ 68,000

(2 Marks)

3. In P.Y. 2021-2022, Mr. A has transferred the following assets:

Asset transferred	Full Value of Consideration (₹)	Indexed Cost of Acquisition (₹)	Transfer Date
Residential house property	8 crores	6 crores	25.11.2021
Jewellery	3 crores	2 crores	05.01.2022

Mr. A bought a new residential house property on 01.04.2020 for ₹ 1 crore and on 28.02.2022 deposited ₹ 3 crores in a capital gains deposit account scheme. On 30.07.2022, Mr. A has withdrawn ₹ 3 crores from capital gains deposit account and acquired a residential house property worth ₹ 2.5 crore. What would be the capital gains in the hands of Mr. A for A.Y. 2022-23, if the expenses in connection with transfer of jewellery were ₹ 2,00,000?

- (a) ₹ 80,50,000
 (b) ₹ 81,55,705
 (c) ₹ 98,00,000
 (d) ₹ 48,00,000

(2 Marks)

4. Mr. Jai, a resident Indian aged 60 years, won ₹ 9 lakhs and Mr. Veeru, resident Indian aged 55 years, won ₹ 8 lakhs from lotteries. Tax deductible at source under section 194B was duly deducted. Assuming that this is the only source of income of Mr. Jai and Mr. Veeru for A.Y.2022-23, are Mr. Jai and Mr. Veeru liable to pay advance tax for that year?
- (a) No, Mr. Jai and Mr. Veeru are not liable to pay advance tax
 (b) Yes, Mr. Jai and Mr. Veeru are liable to pay advance tax
 (c) Mr. Jai is liable to pay advance tax but Mr. Veeru is not liable to pay advance tax
 (d) Mr. Veeru is liable to pay advance tax but Mr. Jai is not liable to pay advance tax

(2 Marks)

5. The basic salary of Mr. Raj is ₹ 1,15,000 p.m. He is entitled to dearness allowance, which is 30% of basic salary which forms part of pay for retirement benefits. Mr. Raj and his employer, XYZ Ltd., both contribute 20% of basic salary to the pension scheme referred to in section 80CCD. What is the amount of deduction available to Mr. Raj under section 80CCD for A.Y. 2022-23?
- (a) ₹ 4,08,800
 (b) ₹ 5,05,400
 (c) ₹ 3,79,400
 (d) ₹ 3,58,800

(2 Marks)

6. Mrs. Bhawna, wife of Mr. Sonu, is a partner in a firm. Her capital contribution of ₹ 10 lakhs to the firm as on 31.3.2021 included ₹ 6 lakhs contributed out of gift received from Sonu. On 1.4.2021, she further invested ₹ 2 lakh out of gift received from Sonu. The firm paid interest on capital of ₹ 1,20,000 and share of profit of ₹ 1,00,000 during the F.Y.2021-22. The entire interest has been allowed as deduction in the hands of the firm. Which of the following statements is correct?
- (a) Share of profit is exempt but interest on capital is taxable in the hands of Mrs. Bhawna
- (b) Share of profit is exempt but interest of ₹ 80,000 is includible in the income of Mr. Sonu and interest of ₹ 40,000 is includible in the income of Mrs. Bhawna
- (c) Share of profit is exempt but interest of ₹ 72,000 is includible in the income of Mr. Sonu and interest of ₹ 48,000 is includible in the income of Mrs. Bhawna
- (d) Share of profit to the extent of Rs 60,000 and interest on capital to the extent of ₹ 72,000 is includible in the hands of Mr. Sonu **(2 Marks)**

Division B – Descriptive Questions

Question No. 1 is compulsory

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

1. From the given information, you are required to compute the tax payable by Mr. Akash, a manufacturer and distributor of fertilizers and other agricultural products, aged 61 years, for the A.Y. 2022-23.

Trading and Profit and Loss Account of Mr. Akash

Particulars	Amount (in ₹)	Particulars	Amount (in ₹)
To Opening Stock	24,21,000	By sales	3,12,50,100
To Purchases	2,28,00,500	By Closing stock	26,00,100
To Direct expenses	4,12,040		
To Freight inward	2,92,000		
To Gross Profit c/d	79,24,660		
	3,38,50,200		3,38,50,200
To Salaries and wages	17,12,000	By Gross Profit b/d	79,24,660
To General expenses	3,65,000	By Dividend income from Indian companies (Gross)	17,20,000
To Rates and taxes	2,20,000	By Interest received on FDs (Net of tax)	1,08,000
To Interest paid on late payment of GST	2,845	By Rent received	7,20,000
To Income-tax paid for F.Y. 2020-21	3,45,000	By Income-tax refund	18,000
To Interest paid to NBFC	1,20,000		
To Depreciation	1,82,000		
To Net Profit	75,43,815		
	1,04,90,660		1,04,90,660

Additional information:

- (a) Closing stock of P.Y. 2021-22 was undervalued by ₹ 25,000.
- (b) Rates and taxes include ₹ 1,000 paid towards late filing of his Income-tax return for Assessment Year 2021-22 under section 234F of Income-tax Act.
- (c) Salaries include ₹ 15,000 paid on single day by way of cash to his accountant.
- (d) Interest paid on loan of ₹ 10,00,000 taken from a Non-Banking Finance company. Out of the loan, amount of ₹ 2 lakhs was used for personal purpose and the balance was used for business purpose. No TDS was deducted while payment of interest.
- (e) An amount of ₹ 45,000 was paid by cheque during the year towards health insurance policy covering himself, his spouse and his children.
- (f) General expenses include advertisement expense of ₹ 20,000 paid by cheque towards an advertisement in a souvenir published by local political party.
- (g) Income-tax refund includes ₹ 2,000 towards interest.
- (h) Depreciation charged is as per Income-tax Rules, however, it does not include depreciation on a new Maruti Van purchased and put to use on 23rd September, 2021 for his business use. The cost of the vehicle is ₹ 2,10,000.
- (i) Advance Tax paid during the year is ₹ 15 lakhs.
- (j) Turnover for the year ending 31.03.2021 was ₹ 3.08 crores.
- (k) Tax has been deducted at source on income, wherever required.

Mr. Akash does not want to opt for the provisions of section 115BAC.

(14 Marks)

2. (a) Mr. Sushant furnished the following particulars of his income for the year ended 31.3.2022.

	Particulars	₹
(a)	Income earned from business in Dubai which is controlled from Delhi (₹ 65,000 is received in India)	80,000
(b)	Pension for services rendered in India but received in Dubai (computed)	24,000
(c)	Dividend from an Oil Company, a Dubai based company, received in Dubai	15,000
(d)	Rent from property in Dubai, deposited in a bank in Dubai and later on, remitted to India through approved banking channels	70,000
(e)	Dividend from Sunset Ltd., an Indian company, received in Dubai	78,000
(f)	Interest on money borrowed by Mr. Dipish, a non-resident, for the purpose of investment in shares of ABC Ltd., an Indian company	55,000
(g)	Agricultural income from a land in Bhutan, received in India	25,000

Compute his gross total income for the assessment year 2022-23, if he is:

- (i) Resident and ordinarily resident;
- (ii) Resident but not ordinarily resident;
- (iii) Non-resident

(7 Marks)

- (b) Examine TDS implications in case of following transactions, briefly explaining provisions involved assuming that all the payees are residents; state the rate and amount to be deducted, in case TDS is required to be deducted
- (i) Mrinal & Sons, a LLP withdrew from its bank account ₹ 40 lakhs by cash on 1.5.2021, ₹ 35 lakhs on 7.9.2021 and ₹ 55 lakhs on 28.2.2022. The purpose of withdrawal from bank was for buying agricultural produce, from farmers/ agriculturist, being raw material required for manufacture of finished products by it. Mrinal & Sons regularly files its return of income before the due date.
- (ii) Mr. Mukesh, aged 75 years, holds 6½ Gold Bonds, 1977 of ₹ 2,50,000 and 7% Gold Bonds of ₹ 3,50,000. He received interest on these bonds on 31.1.2022. **(4 Marks)**
- (c) Briefly discuss the clarification issued by the CBDT on the cross application of TDS under section 194-Q and TCS under section 206C(1H). **(3 Marks)**
3. (a) Ms. Aashima is a Finance manager in ABC limited. She has given the details of her income for the P.Y. 2021-22. You are required to compute the income chargeable to tax under the head "Salaries" in the hands of Ms. Aashima from the details given below:
- | | |
|--------------------|--|
| Basic Salary | ₹ 60,000 p.m. |
| Dearness Allowance | ₹ 24,000 p.m. (40% of which forms part of retirement benefits) |
| Bonus | ₹ 21,000 p.m. |
- Motor car owned by the employer (cubic capacity of engine exceeds 1.6 litres) provided to Ms. Aashima from 1st October, 2021 which is used for both official and personal purposes. Repair and running expenses of ₹ 60,000 were fully met by the company. The motor car was self-driven by the employee.
- Professional tax paid ₹ 2,500 out of which ₹ 2,000 was paid by the employer.
- Her employer has provided her with an accommodation on 1st April 2021 at a concessional rent. The house was taken on lease by ABC Ltd. for ₹ 12,000 p.m. Ms. Aashima occupied the house from 1st December, 2021, ₹ 4,800 p.m. is recovered from the salary of Ms. Aashima.
- The employer gave her a gift voucher of ₹ 8,000 on her birthday.
- Ms. Aashima contributes 15% of her salary (Basic Pay plus DA) towards recognised provident fund and the company contributes the same amount.
- The company pays medical insurance premium to effect insurance on the health of Ms. Aashima ₹ 20,000. **(7 Marks)**
- (b) XYZ (P) Ltd. was incorporated during P.Y. 2019-20 having a paid up capital of ₹ 25 lakhs. In order to increase its capital, the company further issues 1,00,000 shares (having face value of ₹ 100 each) during the year at par as on 1.9.2021. The FMV of such shares as on 1.9.2021 was ₹ 75.
- (i) Determine the tax implications of the above transaction in the hands of company, assuming it is the only transaction made during the year.
- (ii) Will your answer change, if shares were issued at ₹ 110 each?
- (iii) What will be your answer, if shares were issued at ₹ 110 and FMV of the shares was ₹125 as on 1.9.2021? **(4 Marks)**
- (c) Mr. Prince, a senior citizen, has reported a Total Income ₹ 1,90,000. He has claimed exemption of ₹ 50,000 under section 54EC in respect of long term capital gain on sale of house property and deductions under Chapter VI-A amounting to ₹ 1,50,000 for the previous year 2021-22. Is he liable to file his return of income under section 139(1) for the Assessment year 2022-23? If so why? **(3 Marks)**

4. (a) In August 2021, Mr. Kunal, a first-time home buyer, borrowed a sum of ₹ 40 lakhs from the National Housing Bank for acquisition of a residential house for self-occupation. The stamp duty value of the house is ₹ 43 lakhs. The loan was sanctioned on 17.6.2021. The loan amount was disbursed directly to the builder by the bank. The repayments made towards principal and interest during the P.Y. 2021-22 was ₹ 2 lakhs and ₹ 2.80 lakhs, respectively.

In the light of the above facts, determine the deduction, if any, available to Mr. Kunal during the A.Y. 2022-23 in respect of the repayment of loan and interest. **(4 Marks)**

- (b) Mr. Suresh is Lawyer by profession and his income from profession for the year 2021-22 is ₹ 10,00,000. From the information given by him, you are required to compute his total income for A.Y. 2022-23 and the losses to be carried forward assuming that he files his income tax returns every year before due date.

Particulars	₹
Income of minor son Raj from company deposit	1,60,000
Income of minor daughter Rashmi (professional dancer) from her dance performances	15,00,000
Interest from Canara bank received by Rashmi on deposit made out of income earned from her dance performances	15,000
Loss from house property (computed)	2,50,000
Short term capital loss	6,00,000
Long-term capital gain from equity shares under section 112A	1,20,000
Long term capital gain under section 112	3,00,000
Short term capital loss under section 111A	5,00,000

Assume that Mr. Suresh does not opt for the provisions of section 115BAC and his income before considering clubbing provisions is higher than that of his wife.

(6 Marks)

- (c) You are required to compute the income from "House Property" for the A.Y. 2022-23 of Mrs. Rajni from her house property at Panchkula in Haryana. The Municipal value of the property is ₹ 7,50,000, Fair Rent of the property is ₹ 6,30,000 and Standard Rent is ₹ 7,20,000 per annum.

The property was let out for ₹ 80,000 per month for the period April 2021 to November 2021.

Thereafter, the tenant vacated the property and Mrs. Rajni used the house for self-occupation. Rent for the months of October and November 2021 could not be realized from the tenant. The tenancy was bonafide but the defaulting tenant was in occupation of another property of the assessee, paying rent regularly.

She paid municipal taxes @ 12% during the year and paid interest of ₹ 50,000 during the year for amount borrowed towards repairs of the house property. **(4 Marks)**

SECTION B - INDIRECT TAXES (40 MARKS)

QUESTIONS

- (i) Working Notes should form part of the answers. However, in answers to Question in Division A, working notes are not required.
- (ii) Wherever necessary, suitable assumptions may be made by the candidates, and disclosed by way of note.
- (iii) All questions should be answered on the basis of the position of GST law as amended up to 31st October, 2021.
- (iv) The GST rates for goods and services mentioned in various questions are hypothetical and may not necessarily be the actual rates leviable on those goods and services. Further, GST compensation cess should be ignored in all the questions, wherever applicable.

Division A - Multiple Choice Questions (MCQs)

Write the most appropriate answer to each of the following multiple choice questions by choosing one of the four options given. All questions are compulsory.

Total Marks: 12 Marks

Each MCQ under Question No. 1 carries 2 Marks each

1. M/s. Harsimran & Co., a registered supplier under GST, is dealing in supply of taxable goods in the State of Karnataka.

The firm had opted for Composition Scheme from April month of last financial year. Its turnover crossed ₹ 1.50 Crores on 9th May of current financial year and had opted for withdrawal of composition scheme on the said date.

Harsimran & Co. removed goods on 10th June for delivery to Simran & Co. on 'Sale or Return Basis'. Simran & Co. accepted the goods vide its confirmation mail dated 15th December.

The firm has paid GST for various items during the month of August. It comprised of the following-

- (a) GST paid on input services intended to be used for personal purposes – ₹ 12,000
- (b) GST paid on purchase of Motor Vehicle for business use (being a two-wheeler having engine capacity of 25CC) – ₹ 9,000
- (c) GST paid on purchase of computer – ₹ 19,000

(GST portion was included as part of cost to claim depreciation under Income-tax Act, 1961)

During May, Harsimran and Co. had reversed ITC of ₹ 10,000 for not making payment to Vendors within the time prescribed under CGST Act, 2017. This pending payment was cleared in the month of August.

Out of purchases made and ITC availed during earlier months, the following information is made available as on September:

Supplier Name	Payment is due for (Number of days)	Related ITC Component
XYZ	165	₹ 13,000
ABC	199	₹ 15,000
PQR	99	₹ 20,000

Harsimran & Co received accounting services from Ekam & Co., an associated enterprise, located in Sri Lanka. Ekam & Co. issued invoice for the service on 1st September, which was entered by Harsimran & Co. in its book on 10th October. But payment was made on 30th September.

All the supply referred above is intra-State unless specified otherwise. Conditions applicable for availment of ITC are fulfilled subject to the information given above.

Based on the information provided above, choose the most appropriate answer for the following questions [1.1 -1.5]-

- 1.1 Harsimran & Co. needs to furnish a statement containing details of stock of inputs/ inputs held in semi-finished / finished goods on the withdrawal of composition scheme by _____
- (a) 9th May
 - (b) 23rd May
 - (c) 8th June
 - (d) 7th July
- 1.2 In respect of the goods sent on sale or return basis, Harsimran & Co. shall issue the invoice by _____
- (a) 10th June
 - (b) 10th September
 - (c) 10th December
 - (d) 15th December
- 1.3 Determine the amount of eligible input tax credit that can be availed by Harsimran & Co for the month of August?
- (a) Nil
 - (b) ₹ 19,000
 - (c) ₹ 22,000
 - (d) ₹ 50,000
- 1.4 Compute the amount of ITC to be reversed for the month of September? Ignore interest liability, if any.
- (a) Nil
 - (b) ₹ 28,000
 - (c) ₹ 15,000
 - (d) ₹ 13,000
- 1.5 Time of supply in respect of service imported by Harsimran & Co from its Associated Enterprise is _____
- (a) 1st September
 - (b) 30th September
 - (c) 1st October
 - (d) 10th October

(5 x 2 Marks = 10 Marks)

2. Ganesh Traders, engaged in manufacturing of taxable as well as exempt goods, purchased a machinery worth ₹ 17,70,000 (₹ 15,00,000 plus ₹ 2,70,000 GST). It capitalized full amount including taxes in the books of accounts and claimed depreciation on it as per provisions of the Income Tax Act, 1961. Compute the amount of ITC that can be claimed by Ganesh Traders?

- (a) ₹ 2,70,000
- (b) Zero
- (c) In proportion of taxable and exempt supply
- (d) By decreasing percentage points as prescribed

(2 Marks)

Division B - Descriptive Questions

Question No. 1 is compulsory.

Attempt any two questions out of remaining four questions.

Total Marks: 28 Marks

1. Riddhi & Co., a supplier of goods, pays GST under regular scheme. It has made the following outward taxable supplies in a tax period:

Particulars	Amount (₹)
Intra-State supply of goods	10,00,000
Inter-State supply of goods	8,00,000

It has also furnished the following information in respect of purchases made by it in that tax period:

Particulars	Amount (₹)
Intra-State purchases of goods	3,00,000
Inter-State purchases of goods	2,50,000

Riddhi & Co. has following ITCs with it at the beginning of the tax period:

Particulars	Amount (₹)
CGST	57,000
SGST	60,000
IGST	1,40,000

Note:

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

Compute the minimum GST, payable in cash, by Riddhi & Co. for the tax period and the ITC to be carried forward to the next month. Make suitable assumptions as required. **(8 Marks)**

2. (a) Determine the GST payable, if any, in each of the following independent cases, assuming that the rate of GST is 18% and that the service providers are registered under GST:
- (i) Bollywood dance performance by a film actor in a film and consideration charged is ₹ 1,45,000.
 - (ii) Carnatic music performance by a classical singer to promote a brand of readymade garments and consideration charged is ₹ 1,30,000.
 - (iii) Carnatic music performance by a classical singer in a music concert and consideration charged is ₹ 1,55,000.
 - (iv) Kathak dance performance by a classical dancer in a cultural programme and consideration charged is ₹ 1,45,000. **(4 Marks)**
- (b) Kashvi Ltd., a registered supplier, has supplied machinery to Garam Dharam Ltd. (a supplier registered in the same State). It provides following particulars regarding the same:

S. No.	Particulars	Amount (₹)
(i)	Price of machinery (exclusive of taxes and discounts)	5,50,000

(ii)	Part fitted in the machinery at the premises of Garam Dharam Ltd. [Amount has been paid by Garam Dharam Ltd. directly to the supplier. However, it was Kashvi Ltd.'s liability to pay the said amount. The said amount has not been recorded in the invoice issued by Kashvi Ltd.)	20,000
(iii)	Installation and testing charges for machinery, not included in price	25,000
(iv)	Discount @ 2% on price of the machinery mentioned at S. No. (i) above (recorded in the invoice)	
(v)	Kashvi Ltd. provides additional discount @ 1% at year end, based on additional purchase of other machinery for which adjustment is made at the end of the financial year without any change in individual transactions.	

Determine the value of taxable supply made by Kashvi Ltd. to Garam Dharam Ltd. **(6 Marks)**

3. (a) Utsav Pvt. Ltd. of Meghalaya engaged in the supply of gifts items and repair services, provides you the following details:-

S. No.	Particulars	Date
1.	Commencement of the business of supplying goods and services	1 st August
2.	Turnover exceeds ₹ 10,00,000 on	15 th August
3.	Turnover exceeds ₹ 20,00,000 on	5 th September
4.	Application for registration made on	28 th September
5.	Registration certificate granted on	6 th October

The company seeks your advice as to how it should raise revised tax invoices for supplies made. Is there any specific provision for issuance of revised tax invoices to unregistered customers? Explain. **(6 Marks)**

- (b) Mr. Piyush, a registered supplier of taxable goods, filed GSTR 3B for the month of January, 2021 on 15th April, 2021. The prescribed due date to file the said GSTR 3B was 20th February, 2021. The amount of net GST payable, in Cash i.e. Electronic Cash Ledger on supplies made by him for the said month worked out to be ₹ 36,500 which was paid on 15th April, 2021. Briefly explain the related provisions and compute the amount of interest payable under the CGST Act, 2017 by Mr. Piyush. Ignore the effect of leap year, if applicable in this case. **(4 Marks)**
4. (a) What is the ITC entitlement of a newly registered person? **(5 Marks)**
- (b) What is the validity period of the registration certificate issued to a casual taxable person and non-resident taxable person? **(5 Marks)**