

**Taxation(Direct & Indirect)****[Time: 3.00 Hrs.]****[ Marks: 80 ]****N.B. :** (1) Q. no. 1 is **compulsory**.(2) Attempt any **3** questions from question no. **2 to 5**, each carrying **20** marks.

(3) Figures to the right indicate full marks.

(4) Working notes should form the part of your answer.

(5) Use of **simple calculator** is **allowed**.**1. (a) Select appropriate answer from alternatives given below and rewrite the sentences: 10**

1. Which of the following is NOT a characteristic of direct tax?
 

A. Imposed directly on the taxpayer	C. Included in the price of goods or services
B. Borne ultimately by the taxpayer	D. Used for government revenue generation
2. Capital gains arising from the sale of shares are taxed as:
 

A. Long-term capital gains	C. Both depending on holding period
B. Short-term capital gains	D. Exempt from tax
3. Which section of the Income Tax Act offers deductions for contributions to Provident Fund?
 

A. Section 80C	C. Section 80G
B. Section 80D	D. Section 80J
4. Can an employee claim tax benefits for charitable donations made through salary deductions?
 

A. Yes, under Section 80G	C. Depends on the type of charity
B. No, only donations made directly are eligible	D. Only if exceeding a specified limit
5. Which section of the Income Tax Act deals with deductions on interest paid on a home loan?
 

A. Section 24	C. Section 80E
B. Section 80C	D. Section 24(B)
6. How is inheritance of a property treated for income from other sources purposes?
 

A. Income starts generating from the date of inheritance.	C. Fair rental value is considered income even if not rented.
B. No income is generated until the property is rented out.	D. Depends on the intention of the inheriting taxpayer.
7. What is the validity period of a GST registration certificate?
 

A. 1 year	C. 10 years
B. 5 years	D. Lifetime
8. the Proper Officer finds the application to be deficient for any reason or requires any further clarification, he shall intimate to the applicant in form\_\_\_\_\_

A GST-REG-03

C. GST-REG-04

B GST-REG-02

D. GST-REG-01

9. When a register tax payer does not pay the tax on time, interest is payable on such delayed payment u/s 50 the rate of interest charged is \_\_\_\_
  - A. 18% per annum in case of delayed payment
  - B. 24% per annum in case of delayed payment
  - C. 30% per annum in case of delayed payment
  - D. 12% per annum in case of delayed payment
10. Which government department in India administers the electronic cash ledger for Goods and Services Tax (GST) ?
  - A. Department of Economic Affairs
  - B. Central Board of Direct Taxes (CBDT)
  - C. Central Board of Indirect Taxes (CBIC)
  - D. Ministry of Corporate Affairs

**1. (b) Select whether following statements are True or False :**

**10**

1. Perquisites exceeding specific limits are always fully taxable as income from salary.
2. Interest paid on a loan taken for personal purposes can be claimed as a deduction under income from business and profession.
3. Long-term capital gains on shares held for more than one year are taxed at a lower rate than short-term capital gains.
4. The maximum amount that can be claimed under Section 80U for expenses on disability aids is capped at ₹ 40,000.
5. Casual taxable persons exceeding a specific turnover threshold within a financial year need to register under GST.
6. In the case of advance payments received for goods, the time of supply can be considered as the date of receipt of payment.
7. The determination of the Place of supply plays a crucial role in identifying the applicable GST rate and filing returns.
8. A person who leaves India for employment outside the country can still be considered a resident for tax purposes.
9. Deduction under Section 80DD can be claimed for medical expenses incurred for the taxpayer's parents or grandparents.
10. The penalty for failure to furnish information or documents to GST authorities can be more severe than the penalty for late payment of tax.

Q2. A) Mr. Khan lived in India from January 1st, 2022, to December 31st, 2022. He then went on a six-month vacation abroad from January 1st, 2023, to June 30th, 2023. He returned to India on July 1st, 2023, and stayed until December 31st, 2023. Determine his residential status for AY 2023-24.

**05**

Q2. A) The Following are the particulars of income of Mr.Ramesh (an employee of an Individual) for the previous year ended on 31 March 2023.

10

- Salary Rs.4500 p.m
- Bonus equal to two months pay
- Dog allowance – Rs.75 p.m
- Special Allowance – Rs.60 p.m
- Employee's contribution to a recognized provident fund @ 15% of salary
- Employer's contribution to the fund @ 15% of the salary
- Interest credited to the provident fund @ 9.5% p.a. is Rs.2,800
- He is provided with free lunch in office. The cost per meals Rs.30
- The employer has given him the use of small car which he uses for personal and official purpose. He meets the expenses for personal purpose from out of his pocket.
- Compute the income of Mr.Ramesh from salaries for the A.Y. 2023-24.

Q2. C) Comment on the applicability of GST in the following independent cases

05

- Religious pilgrimage organized by Ganjumul Charitable Trust.
- Transportation of books on a consignment transported in a single goods carriage for Rs. 7,000.
- Services provided by way of vehicle parking to general public in a shopping mall.
- Services provided by the State Governments and Private Service Providers by way of transportation of patients in ambulance
- Transportation of passengers by non-air-conditioned railways.

Q3. A) From the given Trading and P & L A/c of A&B for the year ended 31st March 2023 , compute taxable income of the firm for the assessment year 2023-24

10

Particulars	Amt	Particulars	Amt.
To Opening Stock	75,000	By Sales	20,00,000
To Purchases	15,00,000	By Closing Stock	85,000
To Gross Profit	5,10,000		
<b>Total</b>	<b>20,85,000</b>	<b>Total</b>	<b>20,85,000</b>
To Salaries	2,50,000	By Gross Profit	5,10,000
To Sales Commission	40,000	By Bad Debts Recovery	25,000
To Sales Tax	35,000		
To General Expenses	5,000		
To Advance Income Tax	54,000		
To Interest on Loan	42,000		
To Interest on Capital	18,000		
To Depreciation on Furniture & Fittings	4,000		
To Advertisement	16,000		
To Free Distribution of Samples	3,000		
To Insurance premium on Life of Partners	8,500		
To Printing & Stationery	3,500		
To Net Profit	56,000		
<b>Total</b>	<b>5,35,000</b>		<b>5,35,000</b>

**Additional information:**

- Salaries include Rs. 40,000/- paid to partners, as per partnership deed and well within the limits under section 40(b).
- General Expenses are incurred for the purposes of pleasure tour of partners with their family members to Goa.
- Income Tax includes Rs. 14,000 paid for the partners.
- Bad Debts recovered were earlier allowed as a deduction.
- Interest on Capital to partners is in excess of limits specified under section 40(b) by Rs. 1,500/- but as per partnership deed.
- Cash expenses over Rs 35,000 for carriage of Rs. 40,000

**Q3. B) Determine the place of supply of the following cases****05**

- Mr. Zain boarded the train at New Delhi for its destination Mumbai. He carried some goods with him for the purpose of sale during the journey. When the train reaches Surat, he sells certain goods
- Mr. Xavier of Chennai hired the services of interior decorator Mr. Yash of Surat for redoing his home in Singapore
- Dey & Co. is a registered Company in Kolkata. It hires the services of a courier company in Chennai to send some important documents from Chennai office to the New Delhi branch
- Sharma Private Limited (Delhi) sells 40 units of certain goods to Manish Limited (Bengaluru). The goods are delivered in Bengaluru through transport arranged by Sharma private Limited (i.e. the supplier).
- Muskan Limited (Delhi) is a registered dealer in Mumbai, Maharashtra. It supplies 40 washing machines to VIVA Electronics (a registered dealer) of Jaipur, Rajasthan. VIVA Electronics has taken the washing machines from supplier's ex-factory at Mumbai. The transport is arranged by the buyer.

**Q3. C) Following is the summary of GST payable and input credit available to Vinay****05**

Tax	Output tax Liability (Rs)	Input Tax Credit (ITC) (Rs)
IGST	35,000	18000
CGST	10,000	15000
SGST	10,000	15000

Calculate the amount of tax payable

Q4. A) Raj owns two houses, I & II. House I is let-out throughout the previous year. House II is self-occupied for nine months and let-out for three months on a monthly rent of Rs 5,000. Determine Taxable income, given the following details:-

**10**

	House I	House II
Municipal Value	40,000	50,000
Fair Rent	50,000	48,000
Rent Received	48,000	15,000
Municipal Taxes paid	4,000	5,000
Insurance Premium (not yet paid)	2,000	2,500
Ground Rent	1,000	1,500
Maintenance Charges	3,000	3,500
Electricity Bill	5,000	6,000

Q4. B) Determine the scope of total income in respect of the following incomes if the assessee is a (1) resident or (2) a resident and ordinarily resident or (3) a resident but not ordinarily resident

**05**

New York business income controlled from India	Rs. 100000
Mumbai Business Controlled from Paris	Rs. 40000
Salary in New York as Indian ambassador	Rs. 90000
Acting in Indian film –fee received in Rome	Rs. 70000
Past untaxed profits remitted to India from London	Rs. 120000

Q4. C) Ashik, retires 1 June 2022 after 22 years and 9 months' service. He receives gratuity of Rs 15,00,000. Determine the amount of exemption of gratuity if he was drawing a basic Salary for 10 months preceding the month of his retirement at Rs 40,000 p.m. what will be the effect if Ashik Co. is covered under the Payment of Gratuity Act, 1972?

**05**

Q5. A) Explain deductions available under chapter VI A for the Individual

**10**

B) What are rules of cross utilization of credit of one tax against another

**05**

C) Explain the registration process under GST

**05**