

**INTERMEDIATE EXAMINATION****SET 2****MODEL QUESTION PAPER****TERM – DECEMBER 2024****PAPER – 7****SYLLABUS 2022****DIRECT AND INDIRECT TAXATION****Time Allowed: 3 Hours****Full Marks: 100**

The figures in the margin on the right side indicate full marks.

Where considered necessary, suitable assumptions may be made and clearly indicated in the answer.

SECTION-A (Compulsory)**1. Choose the correct option:****[15x2=30]**

- (i) Mr. Vijay being a Government employee has a car (1.7 ltr.) used for office as well as for personal purpose. During the year, he incurred ₹ 40,000 on maintenance and ₹ 20,000 on driver's salary. The entire cost is reimbursed by employer. Find taxable perquisite?
- (a) ₹ 60000
(b) ₹ 20400
(c) ₹ 39600
(d) ₹ 25500
- (ii) Brought forward loss from house property of ₹ 3,10,000 of A.Y 2023-24 is allowed to be set-off against income from house property of A.Y. 2024-25 of ₹ 5,00,000 to the extent of –
- (a) ₹2, 00,000
(b) ₹3, 10,000
(c) ₹2, 50,000
(d) ₹ 1, 00,000
- (iii) R a person of Indian Origin visited India on 03.10.2023 and plans to stay here for 185 days. During 4 years prior to previous year 2023-24, he was in India for 750 days. Earlier to that he was never in India. His total income other than the foreign income during the previous year is ₹20 lakhs. For A.Y. 2024-25, the residential status of R shall be:
- (a) Resident and Ordinarily Resident in India
(b) Resident but not Ordinarily Resident in India
(c) Non-Resident
(d) Deemed Resident
- (iv) Maximum deduction u/s 80GG shall be limited to –
- (a) ₹5,000 p.m.
(b) ₹1000 p.m.
(c) ₹3000 p.m.
(d) ₹2000 p.m.
- (v) When assessment has not been completed, revised return can be filed within _____ from the end of the relevant previous year.
- (a) 6 months
(b) 12 months
(c) 2 years
(d) 9 months



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- (vi) The rate of TDS in case of listed debentures for the financial year 2023-24 is –
- (a) 20%
 - (b) 15%
 - (c) 10%
 - (d) 5%
- (vii) Alcoholic liquor for human consumption is subjected to:
- (a) State excise duty
 - (b) Central Sales Tax/Value Added Tax
 - (c) Both (a) and (b)
 - (d) GST
- (viii) Identify from following services which are covered under Reverse Charge Mechanism u/s 9(3) of CGST Act, 2017.
- (i) Legal Consultancy
 - (ii) Goods Transport Agency
 - (iii) Manpower Supply
 - (iv) Rent-a-Cab
- (a) i & ii
 - (b) i & iv
 - (c) i & iii
 - (d) All the above
- (ix) Services by way of admission to _____ is not exempt from GST
- (a) Museum
 - (b) National Park
 - (c) Tiger Reserve
 - (d) Recognised sporting event where the admission ticket cost ₹ 600 per person
- (x) The time limit to pay the value of supply with taxes to the supplier to avail the input tax credit is:
- (a) 30 Days
 - (b) 180 Days
 - (c) 90 Days
 - (d) 120 Days
- (xi) Ms. S, an unregistered person, (New Delhi) is travelling from New Delhi to Kanpur, Pradesh in a train. The train starts at New Delhi and stops at three stations before reaching Kanpur. The food items were loaded into the train at Aligarh (Uttar Pradesh) 2nd station. Ms. S buys dinner on board the train. Determine POS:
- (a) New Delhi
 - (b) Kanpur
 - (c) Aligarh
 - (d) None of the above
- (xii) Subhas & Co., a registered person, supplies taxable goods to unregistered persons. It need not issue tax invoice, if the value of supply of goods to such persons is and the recipient does not require such invoice.
- (a) 150
 - (b) 600
 - (c) 1200



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(d) 2000

(xiii) The time limit for filing refund claim is _____ from the relevant date

- (a) One year
- (b) Two years
- (c) One and half year
- (d) Half year

(xiv) Basic custom duty on imported goods is levied at the rates specified in the

- (a) First Schedule of the Customs Tariff Act, 1975
- (b) Second Schedule of the Customs Tariff Act, 1975
- (c) Customs Act
- (d) Customs Manual

(xv) Which of the following is a taxable event for imported goods?

- (a) Date of presentation of bill of entry
- (b) Date of entry into Indian territorial waters
- (c) Unloading of imported goods at the customs port
- (d) Date on which the goods cross the customs barrier

SECTION-B

(Answer any five questions out of seven questions given. Each question carries 14 Marks)

[5x14=70]

2. (a) Joshi discloses his income earned during the financial year 2023-24:

- (i) Interest on German Development Bonds (1/6 received in India) 30,000
- (ii) Income from house property in India but received in Australia 40,000
- (iii) Income from agriculture in America but received in India 60,000
- (iv) Income from business in Canada but controlled from India 75,000
- (v) Income from business in Singapore but controlled from Sri Lanka ₹ 80,000

Calculate his taxable income, if he is:

- (A) Resident and ordinarily resident
- (B) Resident but not ordinarily resident
- (C) Non- resident in India for the assessment year 2024-25.

[7]

(b) Following are the particulars of income of Mrs. S. Choudhury for the Previous Year 2023-24:

1. Basic salary @ ₹ 15,000 per month.
2. Dearness Allowance @ 60% of salary.
3. Medical Allowance @ 600 per month (Actual expenditure ₹ 5,000).
4. House Rent Allowance received @ ₹ 6,000 per month and she pays rent of ₹7,200 per Month for her house in Durgapur.
5. City compensatory allowance ₹ 1,500 per month.
6. She owns a car which she is using for official purposes. Her employer reimburses her @ ₹3,000 per month.

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7. She is contributing ₹ 2,100 per month towards a recognized provident fund. The employer is also contributing the same amount. Interest credited to R.P.F @ 11% ₹ 2,200.
8. She paid ₹ 1,800 as professional tax during the year.
9. Professional tax was paid by his employer ₹ 2,400.
- Calculate income from salary of Mrs. Choudhury for the assessment year 2024-25. [7]

3. (a) Mr. Rajesh owns two house properties both of which are let out. Calculate his income from the following details:

Particulars	House I (₹)	House II (₹)
Situated at	Gaya	Mumbai
Gross Municipal value	1,00,000	2,00,000
Fair Rent	95,000	2,10,000
Standard Rent	90,000	2,00,000
Annual Rent Receivable	1,00,000	1,80,000
Unrealised rent of current year	8,000	2,000
Municipal tax	10%	1,000
Fire insurance	2,000	1,200
Repairs	Nil	2,000
Interest on loan for construction (@ 12%)	10,000	Nil

Other Information:

1. Loan taken for construction is still unpaid.
2. Municipal tax of H1 is still unpaid, while, that of H2 is half paid by tenant.

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- (b) Calculate the gross total income of Mr. Inder Kumar Basu on the basis of the following particulars:

Dr.		Cr.	
Particulars	₹	Particulars	₹
Interest	1,800	Gross profit b/d	1,22,700
Repairs and Renewals	2,200	Interest on debenture of an Institution (Gross)	10,000
Insurance	4,200	Rent from House Property	36,000
Depreciation	5,600		
Compensation	10,200		
Law charges	5,100		
Labour welfare charges	3,800		
Subscriptions	5,800		
Net Profit	1,30,000		
	1,68,700		1,68,700

- (1) i. Interest includes ₹200 on loan taken for purchasing debentures of a company and ₹300 on loan taken for reconstruction of house property let out.
- ii. The expenses relating to house property let out are 40% of the repairs and renewal expenses.
- iii. Depreciation includes ₹1, 200 on house property let out.
- iv. Compensation was paid to an employee whose dismissal was in business interest.

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v. Insurance includes 30% for fire insurance of the house property let out, 30% for workers accident insurance and the balance for life insurance.

vi. Law charges include ₹ 2,000 relating to a petition filed against breach of contract and the balance regarding sales tax appeal.

vii. Subscriptions include ₹2, 000 given for election purpose to political parties.

(2) The amount not debited to profit and loss account are as follows

i. Expenses incurred on the occasion of Festival ₹800

ii. Theft of cash from locker ₹1, 200.

iii. Expenses for new telephone connection in the business ₹2, 000.

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4. (a) Shiv has jewellery acquired on 17/07/2010 for ₹ 5,00,000. On 18/08/2013 Shiv incurred improvement expenditure on such jewellery by adding diamond to it worth ₹ 3, 00,000. On 18/08/2021, he transferred such jewellery to his friend Mona for ₹ 40, 00,000. Shiv already has a self-occupied house property in Lucknow; however on 17/03/2022 he purchased another residential house property for ₹ 30, 00,000 for the purpose of letting out. As on 5/04/2023, his friend offered him house worth ₹ 25, 00,000 (Value for Stamp duty purpose is only ₹ 14, 00,000/-) for ₹ 15, 00,000 only & Shiv purchased the same. On 7/04/2024, Shiv sold the new house acquired from his friend for ₹ 19, 00,000. Value determined for the purpose of stamp duty purposes ₹ 22, 00,000 and market value as on the date of transfer is ₹ 26, 00,000. Calculate capital gain in hands of Shiv for several years. [7]

(b) Calculate the taxable income under the head Income from other sources of Mrs. X from the following data:

Particulars	Amount (₹)
Pension from employer of deceased husband	21,000
Remuneration for checking the examination copy of employer's school	10,000
Remuneration for checking the examination copy of CMA	15,000
Income tax refund	5,000
Interest on income tax refund	100
Composite rent (related expenditures are ₹ 5,000)	10,000
Rent on sub-letting of house property (rent paid to original owner ₹ 12,000)	20,000

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5. (a) Following are the details of incomes/losses of Mr. Raghu for the financial year 2023-24:

Source of Income	Amount (₹)
Income under the head 'Salaries'	2,60,000
Income from house property (A)	60,000
Income from house property (B)	(2,80,000)
Speculation income	20,000
Business income	(1,30,000)
Income from activity of owning and maintaining race-horses	(1,50,000)
Income from agricultural business	(1,25,000)
Short term capital gain	30,000
Long term capital gain	(1,00,000)

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Income from lottery	10,000
Income from horse races	1,70,000
Interest on securities after adjusting interest expenses and other expenses	(70,000)

Calculate the Gross Total Income of Mr. Raghu for the Assessment Year 2024-25.

[7]**(b)** Calculate taxable income and tax liability as per old tax regime of Sri Dev from the following information:

1. He is working with X Ltd. for a basic of ₹ 24,000 p.m. and dearness allowance ₹ 2,000 p.m. Bonus ₹ 50,000
2. He and his employer contribute to RPF @ 6% of salary.
3. His income from business & profession is ₹ 52,000
4. During the year, interest on fixed deposit ₹ 5,000
5. LIC premium paid ₹ 4,000.

[7]**6. (a)** Discuss the features of indirect tax.**[7]****(b)** Discuss, the role of the Goods and Services Tax (GST) Council in India.**[7]****7. (a)** Mr. Ritesh of Assam, provides the following information for the preceding financial year 2023-24. You are required to find out the aggregate turnover for the purpose of eligibility of composition levy scheme and determine, whether he is eligible for composition levy scheme or not, for the F.Y. 2024-25.

Particulars	₹ in lakh
Value of taxable outward supplies (out of above, ₹ 10 lakh was in course of inter-state)	75
Value of exempt supplies (which include ₹ 30 lakh received as interest on loans & advances)	70
Value of inward supplies on which he is liable to pay tax under reverse charge	15
Value of exports	7

All the amounts are exclusive of GST. Further, he assured that in F.Y. 2023-24, no inter-State supply will be executed by him.

[7]**(b)** Y Ltd., Mumbai, a registered supplier, is manufacturing Chocolates and Biscuits. It provides the following details of taxable inter-state supply made by it for the month of October, 2023.

Particulars	Amount (₹)
List price of goods supplied inter-state	12,40,000
Items already adjusted in the list price	
Subsidy from Central Government for supply of biscuits to Government School	1,50,000
Subsidy from Trade Association for supply of quality biscuits	50,000
Items not adjusted in the list price	
Tax levied by Municipal Authority	25,000
Packing Charges	20,000
Late fee paid by the recipient of supply for delayed payment of invoice	5,000

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Calculate the value of taxable supply made by Y Ltd. for the month of October, 2023.

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8. (a) Calculate the input tax credit available with MS Motors Ltd., manufacturer of cars, in respect of the following services availed by it in the month of October, 2022:

Sl. No.	Particulars	Amount (₹)
1.	Accounting and Auditing Services	17,200
2.	Health insurance services for employees (Services are not provided under Government obligation)	6,200
3.	Routine maintenance of the cars manufactured by MS Motors Ltd.	28,000
4.	Repair services for office building (Cost of repairs is charged to Profit & loss Account)	28,400
5.	Hotel accommodation and conveyance facility to employees on vacation	13,360
6.	Testing services availed for car engines	19,000

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- (b) From the particulars given below, Calculate the assessable value and total customs duty:

- (i) Cost of imported machine: US \$ 20,000
- (ii) Expenses up to the place of exportation: US \$ 2,000
- (iii) Buying commission: US\$ 200
- (iv) Designing charges in India: ₹ 1, 50,000
- (v) Materials supplied by the buyer free of cost: ₹ 2, 00,000
- (vi) CBIC had notified exchange rate of one US \$ is equal to ₹78 (Inter-bank rate is ₹ 79)
- (vii) Basic customs Duty @10%, social welfare surcharge @10% and IGST @ 18%.

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