

Test Series: March, 2023

**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.2023-24.

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. Mr. Kamal, an Indian citizen, aged 61 years, has set-up his business in Canada and is residing in Canada since 2010. He owns a house property in Canada, half of which is used by him for his residence and half is given on rent (converted into INR is ₹ 12,00,000 p.a.).

He purchased a flat in Delhi on 13.10.2020 for ₹ 42,00,000. The stamp duty value of the flat was ₹ 35,00,000. He has taken a loan from Canara Bank in India of ₹ 34,00,000 for purchase of this flat. The interest on such loan for the F.Y. 2022-23 was ₹ 3,14,000 and principal repayment was ₹ 80,000. Mr. Kamal has given this flat on monthly rent of ₹ 32,500 since April, 2022. The annual property tax of Delhi flat is ₹ 40,000 which is paid by Mr. Kamal, whenever he comes to India to meet his parents. Mr. Kamal visited India for 124 days during the previous year 2022-23. Before that he visited India in total for 366 days during the period 1.4.2018 to 31.3.2022.

He had a house in Ranchi which was sold in May 2019. In respect of this house, he received arrears of rent of ₹ 2,96,000 in February 2023 (not taxed earlier).

He also derived some other incomes during the F.Y. 2022-23 which are as follows:

- (i) Profit from business in Canada ₹ 2,75,000
- (ii) Interest on bonds of a Canadian Co. ₹ 6,20,000 out of which 50% was received in India.
- (iii) Income from Apple Orchid in Nepal given on contract and the yearly contract fee of ₹ 5,00,000 for F.Y. 2022-23, was received by Kamal in Nepal.

Mr. Kamal has sold 10,000 listed shares @ ₹ 480 per share of A Ltd., an Indian company, on 15.9.2022, which he acquired on 05-04-2017 @ ₹ 100 per share. STT was paid both at the time of acquisition as well as at the time of transfer of such shares.

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

Based on the facts of the case scenario given above, choose the most appropriate answer to the following questions:-

- (i) What would be the residential status of Mr. Kamal for the A.Y. 2023-24?

- (a) Resident and ordinarily resident in India
(b) Resident but not ordinarily resident in India
(c) Non-resident
(d) Deemed resident
- (ii) What would be the amount of income taxable under the head "Income from house property" in the hands of Mr. Kamal for the A.Y. 2023-24?
(a) ₹ 2,52,200
(b) ₹ 1,38,200
(c) ₹ 9,78,200
(d) ₹ 10,92,200
- (iii) What amount of capital gain would arise in the hands of Mr. Kamal on transfer of shares of A Ltd?
(a) ₹ 18,00,000
(b) ₹ 19,00,000
(c) ₹ 20,00,000
(d) ₹ 38,00,000
- (iv) What would be the total income of Mr. Kamal for the A.Y. 2023-24, if he does not opt to pay tax u/s 115BAC?
(a) ₹ 22,82,200
(b) ₹ 22,68,200
(c) ₹ 22,48,200
(d) ₹ 21,68,200
- (v) What would be the tax liability (computed in the manner so as to minimise his tax liability) of Mr. Kamal for the A.Y. 2023-24?
(a) ₹ 1,82,950
(b) ₹ 1,87,110
(c) ₹ 1,80,350
(d) ₹ 1,84,510 **(5 x 2 = 10 Marks)**
2. Mrs. Archana, wife of Mr. Raj, started a business of trading in beauty products on 15.5.2022. She invested ₹ 5 lakhs in the business on 15.5.2022 out of gift received from her husband, Mr. Raj. She further invested ₹ 4 lakhs from her own savings on 15.12.2022. She earned profits of ₹ 1,50,000 from her business for the financial year 2022-23. Which of the following statements is correct?
(a) Share of profit of ₹ 1,50,000 is includible in the hands of Mrs. Archana.
(b) Share of profit of ₹ 66,667 is includible in the hands of Mr. Raj and share of profit of ₹ 83,333 is includible in the hands of Mrs. Archana.
(c) Share of profit of ₹ 83,333 is includible in the hands of Mr. Raj and share of profit of ₹ 66,667 is includible in the hands of Mrs. Archana.
(d) Share of profit of ₹ 1,50,000 is includible in the hands of Mr. Raj. **(2 Marks)**

3. An amount of ₹ 60,000 was paid to Mr. Samar on 1.7.2022 towards fees for professional services without deduction of tax at source. Subsequently, another payment of ₹ 75,000 was due to Mr. Samar on 28.02.2023, from which tax @10% (amounting to ₹ 13,500) on the entire amount of ₹ 1,35,000 was deducted and the net amount was paid on the same day to Mr. Samar. However, this tax of ₹ 13,500 was deposited only on 22.6.2023. The interest chargeable under section 201(1A) would be:

- (a) ₹ 480
- (b) ₹ 1,290
- (c) ₹ 1,260
- (d) ₹ 810

(2 Marks)

4. Mr. C, aged 35 years, is a working partner in M/s BCD, a partnership firm, with equal profit sharing ratio. During the P.Y. 2022-23, the firm has paid remuneration to Mr. B, Mr. C and Mr. D, being the working partners of the firm, of ₹ 2,00,000 each. The firm has paid interest on capital of ₹ 1,20,000 in toto to all the three partners and the same is within the prescribed limit of 12%. The firm had a loss of ₹ 1,12,000 after debiting remuneration and interest on capital.

Note – Remuneration and interest on capital is authorized by the partnership deed

You, being the CA of Mr. C, are in the process of computing his total income. What would be his taxable remuneration from the firm?

- (a) ₹ 2,00,000
- (b) ₹ 1,51,600
- (c) ₹ 1,27,600
- (d) ₹ 1,50,000

(2 Marks)

5. Income derived from farm building situated in the immediate vicinity of an agricultural land (not assessed to land revenue) would be treated as agricultural income if such land is situated in –

- (a) an area at a distance of 3 kms from the local limits of a municipality and has a population of 80,000 as per last census
- (b) an area within 1.5 kms from the local limits of a municipality and has a population of 12,000 as per last census
- (c) an area within 2 kms from the local limits of a municipality and has a population of 11,00,000 as per last census
- (d) an area within 8 kms from the local limits of a municipality and has a population of 10,50,000 as per last census

(1 Mark)

6. The Gupta HUF in Maharashtra comprises of Mr. Harsh Gupta, his wife Mrs. Nidhi Gupta, his son Mr. Deepak Gupta, his daughter-in-law Mrs. Deepti Gupta, his daughter Miss Preeti Gupta. Which of the members of the HUF are eligible for coparcenary rights?

- (a) Only Mr. Harsh Gupta and Mr. Deepak Gupta
- (b) Only Mr. Harsh Gupta, Mr. Deepak Gupta and Miss Preeti Gupta
- (c) Only Mr. Harsh Gupta, Mr. Deepak Gupta, Mrs. Nidhi Gupta and Mrs. Deepti Gupta
- (d) All the members are co-parceners

(1 Mark)

Division B – Descriptive Questions

Question No. 1 is compulsory

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

1. Mr. Samar, a resident individual, aged 43 years, provides professional services in the field of interior decoration. His Income & Expenditure A/c for the year ended 31st March, 2023 is as under:

Expenditure	₹	Income	₹
To Employees' Remuneration & Benefits	13,66,000	By Consultancy Charges	58,80,000
To Office & Administrative Exp.	3,14,000	By Interest on Public Provident Fund (PPF) Account	60,000
To General Expenses	75,000	By Interest on Savings Bank Account	20,000
To Electricity Expenses	65,000	By Interest on National Savings Certificates VIII Issue (for 3rd year)	21,000
To Medical Expenses	80,000		
To Purchase of Furniture	48,000		
To Depreciation	90,000		
To Excess of income over exp.	39,43,000		
	59,81,000		59,81,000

The following other information relates to financial year 2022-23:

- (i) The expenses on Employees' Remuneration & Benefits includes:
- (a) Family Planning expenditure of ₹ 20,000 incurred for the employees which was revenue in nature. The same was paid through account payee cheque.
- (b) Payment of salary of ₹ 25,000 per month to sister-in-law of Mr. Samar, who was in-charge of the Accounts & Receivables department. However, in comparison to similar work profile, the reasonable salary at market rates is ₹ 20,000 per month.
- (ii) Amount received by Mr. Samar as Employees' Contribution to EPF for the month of February, 2023 - ₹ 10,000 was deposited after the due date under the relevant Act relating to EPF.
- (iii) Medical Expenses of ₹ 80,000 as appearing in the Income & Expenditure A/c was expensed for the treatment of father of Mr. Samar. His father was 72 years old and was not covered by any health insurance policy. The said payment of ₹ 80,000 was made through account payee cheque.
- (iv) General expenses as appearing in the Income & Expenditure A/c, includes a sum of ₹ 25,000 paid to Ms. Anjaleen on 5th January, 2023 as commission for securing work from new clients. This payment was made to her without deduction of tax at source.
- (v) Written down value of the depreciable assets as on 1st April, 2022 were as follows:
- Professional Books ₹ 90,000
- Computers ₹ 35,000
- (vi) The new Furniture as appearing in the Income & Expenditure A/c was purchased on 31st August, 2022 and was put to use on the same day. The payment was made as under:
- ₹ 18,000 paid in cash at the time of purchase of new furniture on 31.08.2022.

- ₹ 19,000 paid by account payee cheque on 05.09.2022 as balance cost of new furniture and
- ₹ 11,000 paid in cash on 31.08.2022 to the transporter as freight charges for the new furniture.

(vii) Mr. Samar purchased a car on 02.04.2021 for ₹ 3,35,000 for personal use. However, on 30.04.2022 he brought the said car for use in his profession. The fair market value of the car as on 30.04.2022 was ₹ 2,50,000.

(viii) Mr. Samar made a contribution of ₹ 1,00,000 in his PPF A/c on 31.01.2023.

(ix) The Gross Professional Receipts of Mr. Samar for P.Y. 2021-22 was ₹ 52,00,000.

Compute the total income and tax liability of Mr. Samar for A.Y. 2023-24, assuming that he has not opted for payment of tax under section 115BAC.

Ignore provisions under section 14A relating to disallowance of expenditure incurred in relation to income not includible in total income. **(14 Marks)**

2. (a) Determine the residential status of Mrs. Rose and compute her gross total income chargeable to tax for the A.Y. 2023-24 from the following information gathered from her documents:

Mrs. Rose is an Australian, got married to Mr. Ram of India in Australia on 2.01.2022 and came to India for the first time on 18.02.2022. She left for Australia on 15.9.2022. She returned to India again on 23.03.2023.

On 01.04.2022, she had purchased a Flat in Delhi, which was let out to Mr. Sahil on a rent of ₹ 25,000 p.m. from 1.5.2022. She had taken loan from an Indian bank for purchase of this flat on which bank had charged interest of ₹ 1,85,500 upto 31.03.2023.

While in India, during the previous year 2022-23, she had received a gold chain from her in-laws worth ₹ 1,50,000. **(6 Marks)**

- (b) State in brief the applicability of provisions of tax deduction at source, the rate and amount of tax deduction in the following cases for the financial year 2022-23 under Income-tax Act, 1961. Assume that all payments are made to residents:

(i) Mr. Amar has paid ₹ 6,00,000 on 15.10.2022 to M/s Fresh Cold Storage Pvt. Ltd. for preservation of fruits and vegetables. He is engaged in the wholesale business of fruits & vegetable in India having turnover of ₹ 3 crores during the previous year 2022-23.

(ii) Mr. Ramu, a salaried individual, has paid rent of ₹ 60,000 per month to Mr. Shiv Kumar from 1st July, 2022 to 31st March, 2023. Mr. Shiv Kumar has not furnished his Permanent Account Number. **(4 Marks)**

- (c) Examine the following transactions with reference to applicability of the provision of tax collected at source and the rate and amount of the TCS for the A.Y. 2023-24.

(i) Mr. Kalpit bought an overseas tour programme package for Singapore for himself and his family of ₹ 5 lakhs on 01-11-2022 from an agent who is engaged in organising foreign tours in course of his business. He made the payment by an account payee cheque and provided the permanent account number to the seller. Assuming Kalpit is not liable to deduct tax at source under any other provisions of the Act.

(ii) Mr. Anuj doing business of textile as a proprietor. His turnover in the business is ₹ 11 crores in the previous year 2021-22. He received payment against sale of textile goods from Mr. Ram of ₹ 75 lakhs against the sales made to him in the previous year 2022-23. Mr. Ram's turnover for the P.Y. 2021-22 was ₹ 5 crores. (Assuming all the sales are domestic sales). **(4 Marks)**

3. (a) Mr. Shiva purchased a house property on February 15, 1979 for ₹ 3,24,000. In addition, he has also paid stamp duty value @10% on the stamp duty value of ₹ 3,50,000.

In April, 2008, Mr. Shiva entered into an agreement with Mr. Mohan for sale of such property for ₹ 14,35,000 and received an amount of ₹ 1,11,000 as advance. However, the sale consideration did not materialize and Mr. Shiva forfeited the advance. In May 2015, he again entered into an agreement for sale of said house for ₹ 20,25,000 to Ms. Deepshikha and received ₹ 1,51,000 as advance. However, as Ms. Deepshikha did not pay the balance amount, Mr. Shiva forfeited the advance. In August, 2015, Mr. Shiva constructed the first floor by incurring a cost of ₹ 3,90,000.

On November 15, 2022, Mr. Shiva entered into an agreement with Mr. Manish for sale of such house for ₹ 30,50,000 and received an amount of ₹ 1,50,000 as advance through an account payee cheque. Mr. Manish paid the balance entire sum and Mr. Shiva transferred the house to Mr. Manish on February 20, 2023. Mr. Shiva has paid the brokerage @1% of sale consideration to the broker.

On April 1, 2001, fair market value of the house property was ₹ 11,85,000 and Stamp duty value was ₹ 10,70,000. Further, the Valuation as per Stamp duty Authority of such house on 15th November, 2022 was ₹ 39,00,000 and on 20th February, 2023 was ₹ 41,00,000.

Compute the capital gains in the hands of Mr. Shiva for A.Y.2023-24.

CII for F.Y. 2001-02: 100; F.Y. 2008-09: 137; F.Y. 2015-16: 254; F.Y. 2022-23: 331 **(7 Marks)**

- (b) Mr. Sonu, General Manager of Akon Ltd., Delhi, furnishes the following particulars for the financial year 2022-23:

- (i) Salary ₹ 46,000 per month
- (ii) Value of medical facility in a hospital maintained by the company ₹ 7,000
- (iii) Rent free accommodation owned by the company
- (iv) Housing loan of ₹ 6,00,000 given on 01.04.2018 at the interest rate of 6% p.a. (No repayment made during the year). The rate of interest charged by State Bank of India (SBI) as on 01.04.2022 in respect of housing loan is 10%.
- (v) Gifts in kind made by the company on the occasion of wedding anniversary of Mr. Sonu ₹ 4,750.
- (vi) A four seater dining table was provided to Mr. Sonu at his residence. This was purchased by the company on 1.5.2019 for ₹ 60,000 and sold to Mr. Sonu on 1.8.2022 for ₹ 30,000.
- (vii) Personal purchases through credit card provided by the company amounting to ₹ 10,000 was paid by the company. No part of the amount was recovered from Mr. Sonu.
- (viii) A Maruti Suzuki car which was purchased by the company on 16.7.2019 for ₹ 2,50,000 was sold to Mr. Sonu on 14.7.2022 for ₹ 80,000.

Other income received by the assessee during the previous year 2022-23:

	Particulars	₹
(a)	Interest on Fixed Deposits with a company	5,000
(b)	Income from specified mutual fund	3,000
(c)	Interest on bank fixed deposits of a minor married daughter	3,000

- (ix) Contribution to LIC towards premium under section 80CCC ₹ 1,00,000

(x) Deposit in PPF Account made during the year 2022-23 ₹ 40,000

Compute the taxable income of Mr. Sonu for the Assessment year 2023-24 assuming he is not opting for section 115BAC. **(7 Marks)**

4. (a) Mr. Rakesh furnishes the following information for the financial year 2022-23.

Particulars	₹
Loss from speculation business-X	85,000
Profit from speculation business-Y	45,000
Interest on borrowings in respect of self-occupied house property	3,18,000
Income from let out house property	1,20,000
Presumptive Income from trading and manufacturing business under section 44AD	1,00,000
Salary from XYZ (P) Ltd.	5,25,000
Interest on PPF deposit	75,000
Long term capital gain on sale of Vacant site	1,25,000
Brought forward loss of business of assessment year 2018-19	1,00,000
Donation to a charitable trust registered under section 12AB and approved under section 80G (payment made via credit card)	60,000

Compute total income of Mr. Rakesh for the assessment year 2023-24 also show the loss, eligible to be carried forward. Assume that he does not opt for section 115BAC. **(7 Marks)**

(b) Mr. Om has gifted a house property valued at ₹ 50 lakhs to his wife, Mrs. Uma, who in turn has gifted the same to Mrs. Pallavi, their daughter-in-law. The house was let out at ₹ 25,000 per month throughout the year. Compute the total income of Mr. Om and Mrs. Pallavi.

Will your answer be different if the said property was gifted to his son, husband of Mrs. Pallavi?

(4 Marks)

(c) Mr. Ram furnished his return of income for the A.Y. 2023-24 on 20.07.2022. Due to missing information for payment of taxes in the return of income, the Assessing Officer considers it defective under section 139(9) of the Income-tax Act, 1961.

(i) What are the consequences if defect is not rectified within the time allowed?

(ii) Specify the remedies available if not rectified within time allowed by the Assessing Officer?

(3 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 notes.
- (iii) All questions should be answered on the basis of position of the CGST Act, 2017 and the IGST Act, 2017 as amended by the Finance Act, 2022, including significant notifications and circulars issued, up to 31st October 2022.

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

Poorva Logistics, a Goods Transport Agency, is registered under GST. It did not exercise the option to itself pay GST on the services supplied by it in the preceding financial year. It provided goods transport services (taxable @ 5%) to the following persons in February of preceding financial year-

- (a) Kunal Traders, an unregistered partnership firm
- (b) Mr. Amar, who is not registered under GST
- (c) Small Traders Co-Operative Society registered under Societies Registration Act

In a particular consignment in March of preceding financial year, Poorva Logistics transported the following-

- (a) Defence Equipments
- (b) Railway Equipments
- (c) Organic Manure

Poorva Logistics exercises the option to itself pay GST on services supplied by it @ 12% from April, of the current financial year. It provided goods transport services to Bama Steels Pvt. Ltd. on 1st April and issued an invoice dated 5th May. Payment was received on 6th May.

Based on the information provided above, choose the most appropriate answer for the following questions -

1. Which of the following persons are liable to pay GST under reverse charge in respect of the GTA services provided by Poorva Logistics in February of the preceding financial year?
 - (i) Kunal Traders
 - (ii) Mr. Amar
 - (iii) Small Traders Co-operative society
 - (a) i & ii
 - (b) ii & iii
 - (c) i & iii
 - (d) i, ii & iii
2. Transportation of _____ by Poorva Logistics is exempt from GST.
 - (i) Defence Equipments
 - (ii) Railway Equipments

- (iii) Organic Manure
- (a) i
- (b) i & ii
- (c) i & iii
- (d) i , ii & iii
3. What will be the time of supply in respect of the services provided by Poorva Logistics to Bama Steels Pvt. Ltd.?
- (a) 6th May
- (b) 5th May
- (c) 30th May
- (d) 1st April
- (3 x 2 Marks = 6 Marks)**

4. Determine which of the following independent transactions even if made without consideration in terms of Schedule I of the CGST Act, 2017, will be deemed as supply?
- (i) AB & Associates transfers stock of goods from its Mumbai branch to Kolkata depot for sale of such goods at the depot.
- (ii) Mr. Raghuvver, a dealer of air-conditioners permanently transfers the motor vehicle free of cost. ITC on said motor vehicle was blocked and therefore, was not availed.
- (iii) Mrs. Riddhi, an employee of Sun Ltd., received gift from her employer on the occasion of Diwali worth ₹ 21,000.
- (a) (i)
- (b) (ii)
- (c) (iii)
- (d) Both (i) and (ii)
- (2 Marks)**

5. PZY Ltd. is engaged in manufacturing of motor car. The company paid following amount of GST to its suppliers against the invoices raised to it. Compute the amount of ineligible input tax credit under GST law:-

S. No.	Particulars	GST Paid (₹)
1.	General insurance taken on cars manufactured by PZY Ltd.	1,00,00,000
2.	Buses purchased for transportation of employees (Seating capacity 23)	25,00,000
3.	Life and health insurance for employees under statutory obligation	6,00,000
4.	Outdoor catering in Diwali Mela organized for employees	3,50,000

- (a) ₹ 9,50,000
- (b) ₹ 3,50,000
- (c) ₹ 1,31,00,000
- (d) ₹ 28,50,000
- (2 Marks)**
6. Ms. Pearl is a classical singer. She wants to organize a classical singing function, so she booked an auditorium on 10th August for a total amount of ₹ 20,000. She paid ₹ 5,000 as advance on that day. The classical singing function was organized on 10th October. The auditorium owner issued invoice to

Ms. Pearl on 25th November amounting to ₹ 20,000. Pearl made balance payment of ₹ 15,000 on 30th November. Determine the time of supply in this case.

- (a) Time of supply is 25th November for ₹ 20,000.
 (b) Time of supply is 25th November for ₹ 5,000 & 30th November for ₹ 15,000.
 (c) Time of supply is 10th August for ₹ 5,000 & 10th October for ₹ 15,000.
 (d) Time of supply is 10th October for ₹ 20,000.

(2 Marks)

Division B - Descriptive Questions

Question No. 1 is compulsory.

Attempt any two questions out of remaining three questions.

Total Marks: 28 Marks

1. M/s. Flow Pro, a registered supplier, is engaged in manufacturing heavy steel fabrication machine. The details pertaining to pricing of each such machine is as follows:

S. No.	Particulars	Amount (₹)
(i)	Price of the machine [excluding taxes and other charges mentioned at S. Nos. (ii) and (iii)]	25,00,000
(ii)	Third party inspection charges [Such charges were payable by M/s Flow Pro but the same have been directly paid by BP Ltd. to the inspection agency. These charges were not recorded in the invoice issued by M/s Flo Pro.]	5,00,000
(iii)	Freight charges for delivery of the machine [M/s Flow Pro has agreed to deliver the goods at BP Ltd.'s premises]	2,00,000
(iv)	Subsidy received from the State Government on sale of machine under Skill Development Programme [Subsidy is directly linked to the price]	5,00,000
(v)	Discount of 2% is offered to BP Ltd. on the price mentioned at S. No. (i) above and recorded in the invoice	

Note: Price of the machine is net of the subsidy received.

M/s. Flow Pro has supplied one such machine in the month of October. It also provided the following details pertaining to the purchases made/services availed during said month:

S. No.	Inward supplies	IGST (₹)	Remarks
(i)	Inputs 'A'	1,00,000	One invoice on which IGST payable was ₹ 10,000, is missing
(ii)	Inputs 'B'	50,000	Inputs are to be received in two lots. First lot has been received in October
(iii)	Capital goods	1,20,000	M/s. Flow Pro has capitalised the capital goods at full invoice value inclusive of GST as it will avail depreciation on the full invoice value.
(iv)	Input services	2,25,000	One invoice dated 20 th January of preceding financial year on which GST payable was ₹ 50,000 was missing and has been found in October

Compute the net GST payable in cash by M/s. Flow Pro for October assuming that all the inward supplies are inter-State supplies and all outward supplies are intra-State supplies. Assume the rates of taxes to be as under:

Particulars	Rates of tax
Central tax (CGST)	9%
State Tax (SGST)	9%
Integrated tax (IGST)	18%

Make suitable assumptions, wherever necessary. All the conditions necessary for availing the ITC have been fulfilled. Opening balance of the input tax credit for the relevant period is Nil. The annual return for the previous financial year was filed on 15th September of the current year. **(8 Marks)**

2. (a) State with reasons, whether GST is payable in the following independent cases: -
- (i) Food supplied by the canteen run by a hospital to the in-patients as advised by the doctors.
 - (ii) An RWA in a housing society, registered under GST, collects the maintenance charges of ₹ 6,500 per month per member. **(2 x 2 Marks = 4 Marks)**
- (b) M/s United Electronics, a registered dealer, is supplying all types of electronic appliances in the State of Karnataka. Its aggregate turnover in the preceding financial year by way of supply of appliances is ₹ 120 lakh.
- The firm also expects to provide repair and maintenance service of such appliances from the current financial year.
- With reference to the provisions of the CGST Act, 2017, examine:
- (i) Whether the firm can opt for the composition scheme, under section 10(1) and 10(2), for the current financial year, as the turnover may include supply of both goods and services?
 - (ii) If yes, up to what amount, the services can be supplied? **(6 Marks)**
3. (a) Determine the effective date of registration in following cases:
- (i) The aggregate turnover of Dhampur Footwear Industries of Delhi has exceeded the applicable threshold limit of ₹ 40 lakh on 1st September. It submits the application for registration on 20th September. Registration certificate is granted to it on 25th September.
 - (ii) Mehta Teleservices is an architect in Lucknow. Its aggregate turnover exceeds ₹ 20 lakh on 25th October. It submits the application for registration on 27th November. Registration certificate is granted to it on 5th December. **(2 x 3 Marks = 6 Marks)**
- (b) Udai Singh, a registered supplier, has received advance payment with respect to services to be supplied to Sujamal. His accountant asked him to issue the receipt voucher with respect to such services to be supplied. However, he is apprehensive as to what would happen in case a receipt voucher is issued, but subsequently no services are supplied. You are required to advise Udai Singh regarding the same. **(4 Marks)**
4. (a) A registered person must pay to the supplier, the value of the goods and/or services along with the tax within 180 days from the date of issue of invoice. State the exceptions to said rule. **(3 Marks)**
- (b) The goods supplied on hire purchase basis will be treated as supply of services. Examine the validity of the statement. **(2 Marks)**
- (c) Briefly elaborate the provisions relating to nil GSTR-3B. **(5 Marks)**