

MOCK TEST PAPER 2
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. Sahil, aged 45 years, working in Sky Pvt. Limited as Senior Manager - Finance. His yearly pay slip for the financial year 2022-23 is as follows:

<u>Earnings</u>	<u>₹</u>	<u>Deduction</u>	<u>₹</u>
Basic Pay	6,34,068	Employee's contribution to RPF	1,14,132
Dearness allowance	1,26,814	Profession tax	2,400
HRA	3,17,040	Income-tax	2,32,830
Transport Allowance	19,200	Net Pay	13,03,848
Personal Allowance	5,09,088		
Children Education Allowance for two children	12,000		
Medical Allowance	15,000		
Bonus	20,000		
Total Earnings	16,53,210		16,53,210

- (i) His employer also contributes equivalent amount of contribution towards RPF.
- (ii) Dearness allowance forms part of retirement benefits.
- (iii) He has intimated to his company that he would opt for section 115BAC for the A.Y. 2023-24. Consequently, he has not submitted any investment proof to company.
- (iv) He has paid ₹ 55,212 towards mediclaim premium for his parents (resident and aged above 65 years) by account payee cheque.
- (v) He has purchased a house of ₹ 38,00,000 during the year 2020 and taken a loan of ₹ 28,00,000 from HDFC to purchase this house. Stamp duty value of such house was ₹ 35,00,000. He is paying EMI of ₹ 22,835. Possession of house is received on 01.04.2022. He himself is occupying this house. Total principal and interest paid for full year is ₹ 55,037 and ₹ 2,18,983, respectively, as per interest certificate received from bank for F.Y. 2022-23.
- (vi) He has 3 children, studying in Sandalwood International School. The following are the components of school fees paid for the Academic Session 2022-23:

School Fees Component	Child 1	Child 2	Child 3	Total
Tuition fees	30,000	37,000	40,000	1,07,000

Admission fees	20,000	-	-	20,000
Books, stationery and uniform	8,000	12,000	15,000	35,000
Infrastructure Fund	25,000	30,000	35,000	90,000
Commute cost	8,000	8,000	8,000	24,000
Activity Fees	6,000	7,000	8,000	21,000
Total Fees	97,000	94,000	1,06,000	2,97,000

- (vii) He has invested ₹ 5000 in HDFC ULIP and taken a LIC policy for his wife for ₹ 10,000.
- (viii) He has invested ₹ 12,500 and ₹ 25,000 towards NPS Tier I A/c and Tier II A/c, respectively.
- (ix) He has also donated ₹ 50,000 in PM CARES fund.
- (x) He has invested ₹ 40,000 in listed equity shares of Shaktimaan Power Solution Limited on 01.03.2022 at ₹ 200 per share and sells 100 shares at ₹ 350 per share on 01.11.2022. STT is paid both at the time of sale and purchase of these shares.

Based on the above information, choose the most appropriate option of the following Multiple Choice Questions (MCQs):

- (i) What would be the amount of income chargeable to tax under the head "Salaries" in the hands of Mr. Sahil for the A.Y. 2023-24?
- (a) ₹ 16,53,210
(b) ₹ 16,21,236
(c) ₹ 16,76,036
(d) ₹ 16,71,236
- (ii) Whether the tax deducted at source by Sky Pvt. Ltd. on the salary paid to Mr. Sahil based on the intimation submitted by him, is correct?
- (a) Yes, the amount of ₹ 2,32,830 deducted as tax at source is correct.
(b) No, the correct amount of tax to be deducted at source is ₹ 2,49,920.
(c) No, the correct amount of tax to be deducted at source is ₹ 2,42,800.
(d) No, the correct amount of tax to be deducted at source is ₹ 2,41,300.
- (iii) What would be the total income (without rounding off) of Mr. Sahil for the A.Y. 2023-24, assume that he does not opt for section 115BAC?
- (a) ₹ 11,73,736
(b) ₹ 11,76,699
(c) ₹ 11,61,699
(d) ₹ 11,54,753
- (iv) What would be tax liability of Mr. Sahil for the A.Y. 2023-24, if he does not opt for section 115BAC?
- (a) ₹ 1,66,530
(b) ₹ 1,68,870
(c) ₹ 1,71,210
(d) ₹ 1,62,940

(v) Assuming for the purpose of answering this question only that no contribution is made by Mr. Sahil and his employer towards RPF, what amount of deduction is available to Mr. Sahil under Chapter VI-A for the previous year 2022-23, if he does not opt for section 115BAC?

- (a) ₹ 2,78,520
- (b) ₹ 2,59,537
- (c) ₹ 2,50,000
- (d) ₹ 2,04,500

(5 x 2 = 10 Marks)

2. During the A.Y.2022-23, Mr. A has a loss of ₹ 8 lakhs under the head "Income from house property" which could not be set off against any other head of income as per the provisions of section 71. The due date for filing return of income u/s 139(1) in case of Mr. A has already expired and Mr. A forgot to file his return of income within the said due date. However, Mr. A filed his belated return of income for A.Y.2022-23. Now, while filing return of income for A.Y.2023-24, Mr. A wishes to set off the said loss against income from house property for the P.Y. 2022-23. Determine whether Mr. A can claim the said set off.

- (a) No, Mr. A cannot claim set off of loss of ₹ 8 lakhs during A.Y. 2023-24 as he failed to file his return of income u/s 139(1) for A.Y. 2022-23.
- (b) Yes, Mr. A can claim set off of loss of ₹ 2 lakhs, out of ₹ 8 lakhs, from his income from house property during A.Y. 2023-24, if any, and the balance has to be carried forward to A.Y.2024-25.
- (c) Yes, Mr. A can claim set off of loss of ₹ 2 lakhs, out of ₹ 8 lakhs, from his income from any head during A.Y. 2023-24 and the balance has to be carried forward to A.Y.2024-25.
- (d) Yes, Mr. A can claim set off of loss of ₹ 8 lakhs during A.Y. 2023-24 from his income from house property, if any, and the balance has to be carried forward to A.Y.2024-25. **(2 Marks)**

3. Mr. Vikas transferred 600 unlisted shares of XYZ (P) Ltd. to ABC (P) Ltd. on 15.12.2022 for ₹ 3,50,000 when the market price was ₹ 5,15,000. The indexed cost of acquisition of shares for Mr. Vikas was computed at ₹ 4,25,000.

Determine the income chargeable to tax in the hands of Mr. Vikas and ABC (P) Ltd. in respect of the above transaction.

- (a) ₹ 90,000 chargeable to tax in the hands of Mr. Vikas as long-term capital gains and nothing is taxable in the hands of ABC (P) Ltd.
- (b) ₹ 75,000 chargeable to tax in the hands of Mr. Vikas as long-term capital gains and nothing is taxable in the hands of ABC (P) Ltd.
- (c) ₹ 90,000 chargeable to tax in the hands of Mr. Vikas as long-term capital gains and ₹ 1,65,000 is taxable under the head "Income from other sources" in the hands of ABC (P) Ltd.
- (d) ₹ 75,000 chargeable to tax in the hands of Mr. Vikas as long-term capital gains and ₹ 1,65,000 is taxable under the head "Income from other sources" in the hands of ABC (P) Ltd. **(2 Marks)**

4. Mr. Sameer, an Indian Citizen, left India permanently with his wife and two children, for extending his retail trade business of toys in Canada in the year 2016. From Canada, he is managing his retail business of toys in India. For the purpose of his Indian business, he visits India every year from 1st September to 31st January. His business income is ₹ 23.50 lakhs and ₹ 18 lakhs from retail trade business in Canada and in India, respectively for the F.Y. 2022-23. He has no other income during the P.Y. 2022-23. Determine his residential status and income taxable in his hands for the A.Y. 2023-24.

- (a) Resident and ordinarily resident in India and income of ₹ 18 lakhs and ₹ 23.50 lakhs would be taxable.
- (b) Non-Resident and ₹ 18 lakhs from Indian retail trade business would only be taxable.

- (c) Resident but not ordinarily Resident and ₹ 18 lakhs from Indian retail trade business would only be taxable.
- (d) Deemed resident and ₹ 18 lakhs from Indian retail trade business would only be taxable.

(2 Marks)

5. Ms. Rachna (aged 32 years), an interior decorator, has professional receipts of ₹ 25,60,000 for the previous year 2022-23. She also earned ₹ 1,25,000 as dividend and ₹ 4,65,000 as interest income on fixed deposits. She incurred expenses of ₹ 13,00,000 for her profession and ₹ 30,000 as interest on loan for making investment in shares on which she received dividend. What would be her total income for the A.Y. 2023-24, assuming that she wishes to make maximum tax savings without getting her books of account audited?

- (a) ₹ 18,45,000
- (b) ₹ 18,70,000
- (c) ₹ 18,40,000
- (d) ₹ 18,25,000

(2 Marks)

Division B – Descriptive Questions

Question No. 1 is compulsory

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

1. Mr. Raj, aged 52 years a resident Indian, has furnished the following particulars for the year ended 31.03.2023:
- (i) He occupies ground floor of his residential building and has let out first floor for residential use at an annual rent of ₹ 3,34,000. He has paid municipal taxes of ₹ 30,000 for the current financial year. Both these floors are of equal size.
- (ii) As per interest certificate from ICICI bank, he paid ₹ 1,80,000 as interest and ₹ 95,000 towards principal repayment of housing loan borrowed for the above residential building.
- (iii) He owns an industrial undertaking established in a SEZ and which had commenced operation during the financial year 2019-20. Total turnover of the undertaking was ₹ 400 lakhs, which includes ₹ 120 lakhs from export turnover. This industrial undertaking fulfills all the conditions of section 10AA of the Income-tax Act, 1961. Profit from this industry is ₹ 45 lakhs.
- (iv) He employed 20 new employees for the said industrial undertaking during the previous year 2022-23. Out of 20 employees, 12 were employed on 1st May 2022 for monthly emoluments of ₹ 18,000 and remaining were employed on 1st August 2022 on monthly emoluments of ₹ 12,000. All these employees participate in recognised provident fund and they are paid their emoluments directly to their bank accounts.
- (v) He earned ₹ 30,000 and ₹ 45,000 as interest on saving bank deposits and fixed deposits respectively.
- (vi) He also sold his vacant land on 01.12.2022 for ₹ 15 lakhs. The stamp duty value of land at the time of transfer was ₹ 16 lakhs. The FMV of the land as on 1st April, 2001 was ₹ 4.8 lakhs and Stamp duty value on the said date was ₹ 4 lakhs. This land was acquired by him on 15.09.1997 for ₹ 2.80 lakhs. He had incurred registration expenses of ₹ 12,000 at that time.
- The cost of inflation index for the financial year 2022-23 and 2001-02 are 331 and 100 respectively.
- (vii) He paid insurance premium of ₹ 49,000 towards life insurance policy of his son, who is not dependent on him.

You are requested to compute his total income and tax liability of Mr. Raj for the Assessment Year 2023-24, Assume Mr. Raj does not opt for the provisions of section 115BAC. **(14 Marks)**

2. (a) Examine the tax implications of the following transactions for the assessment year 2023-24: (Give brief reason)

- (i) Government of India has appointed Mr. Anand as an ambassador in Japan. He received salary of ₹ 7,50,000 and allowances of ₹ 2,40,000 during the previous year 2022-23 for rendering his services in Japan. He is an Indian citizen having status of non-resident in India for the previous year 2022-23.
- (ii) Ms. Kajal, a non-resident in India is engaged in operations which are confined to purchase of goods in India for the purpose of export. She has earned ₹ 2,50,000 during the previous year 2022-23.
- (iii) Mr. Vikas, a non-resident in India, has earned ₹ 3,00,000 as royalty for a patent right made available to Mr. Raj who is also a non-resident. Mr. Raj has utilized patent rights for development of a product in India and 50% royalty is received in India and 50% outside India.
- (iv) Mr. Jai, a NRI, borrowed ₹ 10,00,000 on 01.04.2022 from Mr. Aryan who is also a non-resident and invested such money in the shares of an Indian Company. Mr. Aryan has received interest @ 12% per annum. **(8 Marks)**

(b) Discuss the liability of tax deduction at source under the Income-tax Act, 1961 in respect of the following cases with reference to A.Y. 2023-24.

- (i) ABC a partnership firm is selling its product 'R' through the E-commerce Platform provided by XYZ Ltd. (E-commerce Operator). XYZ Ltd., credited in its books of account, the account of ABC on 28th February, 2023 by sum of ₹ 4,90,000 for the sale of product R, made during the month February, 2023.

Mr. Ramesh, who purchased product 'R' through the platform provided by XYZ Ltd. made payment of ₹ 60,000 directly to ABC on 21st February, 2023.

- (ii) ABC Ltd. is a producer of natural gas. During the year, it sold natural gas worth ₹ 26,50,000 to M/s XYZ Co., a partnership firm. It also incurred ₹ 1,70,000 as freight for the transportation of gas. The ownership of the gas is simultaneously transferred by ABC Ltd. with transportation. It raised the invoice and clearly segregated the value of gas as well as the transportation charges.
- (iii) Design LLP paid job charges to ABC, a partnership firm for doing embroidery work on the fabric supplied by the Design LLP during the previous year 2022-23 as under:

Bill No.	Date	Amount (₹)
1	30.4.2022	27,000
57	30.6.2022	25,000
105	30.09.2022	28,000
151	30.12.2022	32,000

(6 Marks)

3. (a) Mr. Manish, a citizen of the Country Y, is a resident but not ordinarily resident in India during the financial year 2022-23. He owns two house properties in Country Y, one is used as his residence. Another house property is rented for a monthly rent of \$ 18,000. Fair rent of the house property is \$ 20,000. The value of one CYD (\$) may be taken as ₹ 78.

He took ownership and possession of a flat in Delhi on 01.10.2022, which is used for self-occupation, while he is in India. The flat was used by him for 3 months at the time when he

visited India during the previous year 2022-23. The municipal valuation is ₹ 4,58,000 p.a. and the fair rent is ₹ 3,60,000 p.a. He paid property tax of ₹ 13,800 and ₹ 2,800 as Sewerage tax to Municipal Corporation of Delhi.

He had taken a loan of ₹ 18,00,000 @9.5% from HDFC Bank on 1st August, 2020 for purchasing this flat. No amount is repaid by him till 31.03.2023.

He also had a house property in Bangalore which is let out on a monthly rent of ₹ 40,000. The fair rent of which is ₹ 4,58,000 p.a. and Municipal value of ₹ 3,58,000 p.a. and Standard Rent of ₹ 4,20,000 p.a. He had taken a loan of ₹ 25,00,000 @ 10% from one of his friends, residing in Country Y for this house. Municipal tax of ₹ 5,400 is paid by him in respect of this house during the previous year 2022-23.

Compute the income chargeable from house property of Mr. Manish for the assessment year 2023-24. **(6 Marks)**

- (b) M/s. Kumar Enterprises, a sole proprietorship own four machines, put in use for business in March, 2021. The depreciation on these machines is charged @ 15%. The written down value of these machines as on 1st April, 2022 was ₹ 7,70,000. Two of the old machines were sold on 15th July, 2022 for ₹ 10,00,000. A second hand plant was bought for ₹ 6,10,000 on 30th December, 2022. You are required to:

- (i) Determine the claim of depreciation for Assessment Year 2023-24.
(ii) Compute the capital gains liable to tax for Assessment Year 2023-24.
(iii) If Kumar Enterprises had sold the two machines in July, 2022 for ₹ 15,00,000, explain, will there be any difference in your above workings? **(4 Marks)**

- (c) Mr. Kalyan has a residential house property which was acquired on 12-08-2005 for ₹ 2,00,000. The property is sold for ₹ 22,00,000 in December 2022. The sub-registrar refused to register the documents for the said value, as according to him, stamp duty value based on State Government guidelines was ₹ 28,00,000. Mr. Kalyan preferred an appeal to the revenue divisional officer who fixed the value of the house ₹ 25,00,000. He acquired another residential house on 31-03-2023 for ₹ 17,00,000 for self-occupation. On 01-03-2024, he sold such new residential house for ₹ 30,00,000.

Compute his capital gain for the A.Y. 2023-24 and 2024-25. (Cost Inflation Index: 2001-02; 2005-06 and 2022-23 are, 100; 117 and 331) **(4 Marks)**

4. (a) Mr. Dinesh who is 45 years old and his wife Mrs. Heena who is 42 years old furnished the following information:

S. No.	Particulars	Amount (₹)
(i)	Salary income (computed) of Mrs. Heena	9,60,000
(ii)	Income of minor son "Sameer" who suffers from disability specified in section 80U	3,08,000
(iii)	Income of minor daughter "Nisha" from script writing for Television Serials	1,86,000
(iv)	Income from garment trading business of Mr. Dinesh	17,50,000
(v)	Cash gift received by minor daughter "Nisha" on 02-10-2022 from friend of Mrs. Heena, on winning of a story writing competition	45,000
(vi)	Income of minor son "Harsh" form scholarship received from his school to meet the cost of education	1,00,000
(vii)	Income of minor son "Harsh" from fixed deposit with Punjab National Bank, made out of income earned from scholarship	5,000

Compute the total income of Mr. Dinesh and his wife Mrs. Heena for Assessment Year 2023-24 assuming that they have not opted to be taxed under section 115BAC. **(5 Marks)**

- (b) Mr. Nigam a resident individual submits the following information, relevant to the previous year ending March 31, 2023:

S. No.	Particulars	Amount (₹)
(i)	Income from Salary (Computed)	2,22,000
(ii)	Income from House Property	
	- House in Delhi	22,000
	- House in Chennai	(-) 2,60,000
	- House in Mumbai (self-occupied)	(-) 20,000
(iii)	Profit and gains from business or profession	
	- Textile business	18,000
	- Cosmetics business	(-) 22,000
	- Speculative business- 1	(-) 74,000
	- Speculative business-2	46,000
(iv)	Capital gains	
	Short term capital loss from sale of property	(-) 16,000
	Long term capital gains from sale of property	15,400
(v)	Income from other sources (Computed)	
	- Income from betting	34,000
	- Income from card games	46,000
	- Loss on maintenance of race horses	(-)14,600

Determine the gross total income of Mr. Nigam for the assessment year 2023-24 and the losses to be carried forward assuming that he does not opt to be taxed under section 115BAC.

(5 Marks)

- (c) Mr. Kabir, a resident and ordinarily resident in India, could not file his return of Income for the assessment year 2023-24 before due date prescribed under section 139(1). Advise Mr. Kabir as a tax consultant, what are the consequences for non-filing of return of Income within the due date under section 139(1)? **(4 Marks)**

SECTION B - INDIRECT TAXES (40 MARKS)

QUESTIONS

- (i) Working Notes should form part of the answers. However, in answers to Questions 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 GST law as amended by provisions 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 30th April 2023.

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

M/s. Neelkanth & 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. It's turnover crossed ₹ 1.50 Crores on 9th May of current financial year and had opted for withdrawal of composition scheme on the said date.

Neelkanth & Co. removed goods on 10th June for delivery to Chandra & Co. on 'Sale or Return Basis'. Chandra & 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, Neelkanth 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

Neelkanth & Co received accounting services from Raghu & Co., an associated enterprise, located in Sri Lanka. Raghu & Co. issued invoice for the service on 1st September, which was entered by Neelkanth & 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. Neelkanth & 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
2. In respect of the goods sent on sale or return basis, Neelkanth & Co. shall issue the invoice by _____
 - (a) 10th June
 - (b) 10th September
 - (c) 10th December
 - (d) 15th December
3. Determine the amount of eligible input tax credit that can be availed by Neelkanth & Co for the month of August?
 - (a) Nil
 - (b) ₹ 19,000
 - (c) ₹ 22,000
 - (d) ₹ 50,000
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
5. Time of supply in respect of service imported by Neelkanth & Co from its Associated Enterprise is _____
 - (a) 1st September
 - (b) 30th September
 - (c) 1st October
 - (d) 10th October

(5 x 2 Marks = 10 Marks)
6. 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) ₹1,200
 - (b) ₹600
 - (c) ₹150
 - (d) ₹200

(1 Mark)

7. Balance in electronic credit ledger can be utilized against payment of _____.
- (a) output tax
(b) interest
(c) penalty
(d) late fees

(1 Marks)

Division B - Descriptive Questions

Question No. 1 is compulsory.

Attempt any two questions out of remaining three questions.

Total Marks: 28 Marks

1. Paritosh & 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

Paritosh & Co. has following opening balance of ITCs for 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 Paritosh & 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) Red Pepper Ltd., Delhi, a registered supplier, manufactures taxable goods. It provides the following details of taxable inter-State supply made by it during the month of March.

S. No.	Particulars	Amount (₹)
(i)	List price of taxable goods supplied inter-State (exclusive of taxes)	15,00,000
(ii)	Subsidy received from the Central Government for supply of taxable goods to Government School (exclusively related to supply of goods included at S. No. 1)	2,10,000

(iii)	Subsidy received from an NGO for supply of taxable goods to an old age home (exclusively related to supply of goods included at S. No. 1)	50,000
(iv)	Tax levied by Municipal Authority	20,000
(v)	Packing charges	15,000
(vi)	Late fee paid by the recipient of supply for delayed payment of consideration (Recipient has agreed to pay ₹ 6,000 in lump sum and no additional amount is payable by him over and above such amount)	6,000

The list price of the goods is net of the two subsidies received. However, the other charges/taxes/fee are charged to the customers over and above the list price.

Calculate the total value of taxable supplies made by Red Pepper Ltd. during the month of March. Rate of IGST is 18%. **(6 Marks)**

- (b) Gagan Engineering Pvt. Ltd., registered in Haryana, is engaged in providing maintenance and repair services for heavy steel machinery. For carrying out the repair work, Gagan Engineering Pvt. Ltd. sends its container trucks equipped with items like repair equipments, consumables, tools, parts etc. from Haryana workshop to its own repairing centres (registered under GST law) located in other States across India where the clients' machinery are being brought and are being repaired.

Discuss the levability of GST on the inter-State movement of trucks from the workshop of Gagan Engineering Pvt. Ltd. in Haryana to its own repairing centres located in other States across India.

(4 Marks)

3. (a) Examine whether the supplier of goods is liable to get registered in the following independent cases:-

(i) Raghav of Assam is exclusively engaged in intra-State taxable supply of readymade garments. His turnover in the current financial year (FY) from Assam showroom is ₹ 33 lakh. He has another showroom in Tripura with a turnover of ₹ 11 lakh in the current FY.

(ii) Prince of Panjim, Goa is exclusively engaged in intra-State taxable supply of shoes. His aggregate turnover in the current financial year is ₹ 22 lakh.

(iii) Heera of Himachal Pradesh is exclusively engaged in intra-State supply of pan masala. His aggregate turnover in the current financial year is ₹ 24 lakh. **(6 Marks)**

- (b) Kidzee Toys Ltd., a wholesaler of toys registered in Chandigarh, is renowned in the local market for the variety of toys and their reasonable prices. Kidzee Toys Ltd. makes supply of 100 pieces of baby's learning laptops and chat learning phones to Nancy General Store on 25th September by issuing a tax invoice amounting to ₹ 1,00,000.

However, the said toys were returned by Nancy General Store on 30th September. Discuss which document Kidzee Toys Ltd. is required to issue in such a case? **(4 Marks)**

4. (a) Services provided by an entity registered under section 12AB of the Income-tax Act, 1961 are exempt from GST if such services are provided by way of charitable activities. Elaborate the term 'charitable activities'. **(5 Marks)**

- (b) Explain the meaning of consignment value of goods. **(5 Marks)**