

Mock Test Paper - Series II: December, 2024

Date of Paper: 11<sup>th</sup> December, 2024

Time of Paper: 2 P.M. to 5 P.M.

**INTERMEDIATE COURSE: GROUP-I**

**PAPER – 3: TAXATION**

**Time Allowed – 3 Hours**

**Maximum Marks – 100**

**SECTION – A: INCOME TAX LAW (50 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.2024-25.*

**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. Ashish born on 1.4.1964 furnished his return of income for Assessment Year 2024-25 on 10.07.2024. He has paid tax under default tax regime. He had shown the following income in his original return of income -
  - Salary of ₹ 10.50 lakhs from PQR (P) Ltd (Computed)
  - Interest from savings bank account of ₹ 15,700
  - Interest from fixed deposits with SBI of ₹ 50,000.

During the P.Y. 2023-24, he paid interest on loan of ₹ 2,50,000 for purchase of self-occupied property. He contributed ₹ 1,50,000 towards the PPF. He paid health insurance premium of ₹ 40,000 by account payee cheque for self and wife. He paid ₹ 2,200 in cash for his health check-up and ₹ 4,000 by cheque for preventive health check-up of his parents. He also paid medical insurance premium of ₹ 29,000 during the year to insure the health of his mother, aged 80 years. He further incurred medical expenditure of ₹ 18,000 on his father, aged 81 years, who is staying with him. His father is not covered under any mediclaim policy.

He met one of his friends, CA. Ashwin on 01.02.2025. While discussing with his friend, his friend told him that the default tax regime under section 115BAC is not beneficial to him. He advised him to revise his return of income and shift out of the default tax regime. However, Mr. Ashish's son, who is employed in the accounts department of TQM (P) Ltd., is of the view that once tax is paid under section 115BAC in original return, it cannot be changed in revised return.

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

- (i) What is the total deduction under Chapter VI-A allowable to Mr. Ashish if he shifts out of the default tax regime under section 115BAC?
- (a) ₹ 2,34,800  
 (b) ₹ 2,35,000  
 (c) ₹ 2,92,000  
 (d) ₹ 2,92,200
- (ii) What is total income of Mr. Ashish under normal provisions of the Act for A.Y. 2024-25?
- (a) ₹ 5,73,700  
 (b) ₹ 6,23,700  
 (c) ₹ 6,25,700  
 (d) ₹ 6,30,700
- (iii) Can Mr. Ashish file his revise return of income for A.Y. 2024-25 after the due date and declare income under the regular provisions of the Act?
- (a) Yes, Mr. Ashish can revise his return of income and declare income under the regular provisions of the Act  
 (b) No, though he can file a revised return of income, option to shift out from section 115BAC once not opted in original return of income cannot be opted in revised return of income if he is filing revised return after due date.  
 (c) No, Mr. Ashish cannot revise his return of income for A.Y. 2024-25  
 (d) No, he cannot do so since he is a salaried employee. He would have made a declaration to pay tax under section 115BAC to his employer, which cannot be changed subsequently at the time of filing of return of income

**(3 x 2 Marks)**

2. Mr. Rajiv, an Indian resident, purchased a residential house property at Gwalior on 28.05.1999 for ₹ 28.5 lakhs. The fair market value and the stamp duty value of such house property as on 1.4.2001 was ₹ 33.5 lakhs and ₹ 32.4 lakhs, respectively. On 25.03.2014, Mr. Rajiv entered into an agreement with Mr. Virat for sale of such property for ₹ 74 lakhs and received an amount of ₹ 3.9 lakhs as advance. However, as Mr. Virat did not pay the balance amount, Mr. Rajiv forfeited the advance.

On 15.04.2023, Mr. Rajiv sold the house property to Mr. Suraj for ₹ 2.10 crores, when the stamp duty value of the property was ₹ 2.33 crores.

Cost inflation index –

P.Y. 2023-24: 348; P.Y. 2013-14: 220; P.Y. 2001-02: 100

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

- (i) What shall be the indexed cost of acquisition of residential house property at Gwalior for computation of capital gains in the hands of Mr. Rajiv?
- (a) ₹ 1,12,75,200  
 (b) ₹. 99,18,000  
 (c) ₹ 1,03,00,800  
 (d) ₹ 1,05,27,200
- (ii) The amount of capital gains for A.Y. 2024-25 in the hands of Mr. Rajiv for sale of residential house property at Gwalior is -
- (a) ₹ 1,20,24,800  
 (c) (b) ₹ 1,29,99,200  
 (d) ₹ 1,33,82,000  
 (d) ₹ 1,27,72,800
- (iii) The amount required to be deducted as TDS by Mr. Suraj under section 194-IA, is -
- (a) ₹ 2,33,000  
 (b) Nil  
 (c) ₹ 2,10,000  
 (d) ₹ 23,000

**(3 x 2 Marks)**

3. Mr. Sushil is a person of Indian origin, residing in Canada. During P.Y. 2023-24, he visited India on several occasions and his period of stay, in total, amounted to 129 days during P.Y. 2023-24 and his period of stay in India during P.Y. 2022-23, P.Y.2021-22, P.Y. 2020-21 and P.Y. 2019-20 was 135 days, 115 days, 95 days and 125 days, respectively. He earned the following incomes during the P.Y. 2023-24:

Source of Income	Amount (₹)
Income received or deemed to be received in India	2,50,000
Income accruing or arising or which is deemed to accrue or arise in India	3,75,000
Income accruing or arising and received outside India from business controlled from India	5,50,000
Income accruing or arising and received outside India from business controlled outside India	6,50,000

What is the residential status of Mr. Sushil for A.Y. 2024-25 and his income liable to tax in India during A.Y. 2024-25?

- (a) Non-Resident; ₹ 6,25,000 is liable to tax in India  
 (b) Resident and ordinary resident; ₹ 18,25,000 is liable to tax in India  
 (c) Resident but not ordinarily resident; ₹ 11,75,000 is liable to tax in India

(d) Non-Resident; ₹ 11,75,000 is liable to tax in India (2 Marks)

4. Mr. Arora made the following cash withdrawals during the P.Y.2023-24 -

Date	Amount	From
1.6.2023	₹ 70 lakhs	Canara Bank
1.8.2023	₹ 50 lakhs	Canara Bank
1.10.2023	₹ 60 lakhs	Repco Bank (Co-operative Bank)
1.11.2023	₹ 10 lakhs	SBI
1.12.2023	₹ 10 lakhs	Repco Bank (Co-operative Bank)
20.1.2024	₹ 20 lakhs	Repco Bank (Co-operative Bank)
1.2.2024	₹ 15 lakhs	Repco Bank (Co-operative Bank)
10.2.2024	₹ 75 lakhs	SBI
1.3.2024	₹ 15 lakhs	SBI

Which of the above banks are required to deduct tax at source on cash withdrawals made by Mr. Arora in the P.Y.2023-24 if he regularly files his return of income?

- (a) Canara Bank
- (b) SBI & Repco
- (c) Repco & Canara Bank
- (d) Repco

(1 Mark)

### Division B – Descriptive Questions

Question No. 1 is compulsory

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

1. Mr. Ashok, aged 61 years, a resident individual, engaged in a wholesale business of stationary products provides you the following information for the year ended 31.3.2024. He is also a partner in UVW & Co., a partnership firm.

Sl. No.	Particulars	₹	₹
(i)	Interest on capital received from UVW & Co., at 14% [in accordance with the partnership deed]		1,40,000
(ii)	Share of profit from the firm		44,000
(iii)	Salary as working partner (fully allowed in the hands of the firm)		1,00,000
(iv)	Interest from bank on fixed deposit (Net of TDS)		49,500
(v)	Interest on saving bank account		13,300
(vi)	Income-tax refund received relating to assessment year 2023-24 including interest of ₹ 1,400		34,500

(vii)	Net profit from wholesale business		6,60,000
	Amounts debited include the following:		
	- Depreciation as per books	34,000	
	- Motor car expenses	40,000	
	- Municipal taxes for the shop	7,000	
	(For two half years; payment for one half year made on 12.7.2023 and for the other on 31.12.2024)		
	- Salary to manager by way of a single cash payment	22,000	
(viii)	The WDV of the assets (as on 1.4.2023) used in above wholesale business is as under:		
	- Computers	2,40,000	
	- Computer printer	1,50,000	
(ix)	Motor car acquired on 31.12.2023 (20% used for personal use)	6,80,000	
(x)	He owned a house property in Mumbai which was sold in January, 2021. He received arrears of rent in respect of the said property in October, 2023.		1,35,000
(x)	LIP paid for independent son	60,000	
(xi)	PPF of his wife	70,000	
(xii)	Health insurance premium paid by way of A/c payee cheque for self	35,000	
(xiii)	Contribution toward Prime Minister National Relief Fund	50,000	

You are required to compute the total income and tax liability of Mr. Ashok for the A.Y. 2024-25 assuming he opts out from the provisions of section 115BAC. **(15 Marks)**

2. (a) Mr. Sudesh (aged 58 years), a citizen of India, serving in the Ministry of Finance in India, was transferred to Indian Embassy in UK on 15<sup>th</sup> March 2023. His income during the financial year 2023-24 is given hereunder:

Particulars	₹
Rent from a house situated at UK, received in UK. Thereafter, remitted to Indian bank account.	5,25,000
Salary from Government of India	9,25,000
Foreign Allowances from Government of India	8,00,000

Mr. Sudesh did not come to India during the financial year 2023-24. Compute his total income for the Assessment year 2024-25. **(3 Marks)**

(b) Mr. Sumit has submitted his income-tax return containing certain losses/deductions in respect of the P.Y. 2023-24 on 22.10.2024. The due date for filing the return for Mr. Sumit was 31<sup>st</sup> July, 2024 under section 139(1). You are required to examine with reference to the relevant provisions of Income-tax Act, 1961 whether the following losses/deductions can be carried forward/claimed in subsequent years by Mr. Sumit if he pays tax under default tax provisions of the Act.

(i) Loss from the business carried on by him as a proprietor:  
₹ 10,80,000 (computed)

(ii) Unabsorbed Depreciation: ₹ 2,00,000 (computed)

(iii) Loss from let out house property: ₹ 2,50,000 (computed)

**(3 Marks)**

(c) Briefly discuss the provisions of tax deducted at source under the Income-tax Act, 1961 in respect of the following payments:

(i) Mr. Shamsheer (a resident individual aged 65 years) has maintained two fixed deposits in two different branches of HFC Bank of India (working on core banking solution). During the year 2023-24, the bank paid ₹ 32,000 and ₹ 17,000 as interest on these fixed deposits.

(ii) Mr. Chetan, a pensioner, pays ₹ 55,00,000 during F.Y. 2023-24 to Mr. Gopi, for contract payment for reconstruction of his residential house.

**(4 Marks)**

3. (a) Mr. Yogesh constructed a house in P.Y. 2017-18 with 3 independent units. During the P.Y. 2023-24, Unit - 1 (50% of floor area) is let out for residential purpose at monthly rent of ₹ 20,000. Rent of January, 2024 could not be collected from the tenant and a notice to vacate the unit was given to the tenant. No other property of Mr. Yogesh is occupied by the tenant. Unit - 1 remains vacant for February and March 2024 when it is not put to any use. Unit - 2 (25% of the floor area) is used by Mr. Yogesh for the purpose of his business, while Unit - 3 (the remaining 25%) is utilized for the purpose of his residence. Other particulars of the house are as follows:

Municipal valuation - ₹ 2,88,000

Fair rent - ₹ 2,98,000

Standard rent under the Rent Control Act - ₹ 2,78,000

Municipal taxes - ₹ 30,000 paid by Mr. Yogesh

Repairs - ₹ 7,000

Interest on capital borrowed for the construction of the property - ₹ 90,000,

Ground rent - ₹ 6,000 and

Fire insurance premium paid - ₹ 60,000.

Income of Yogesh from the business is ₹ 2,40,000 (without debiting house rent and other incidental expenditure).

Determine the taxable income of Mr. Yogesh for the assessment year 2024-25 if he pays tax under section 115BAC. **(5 Marks)**

- (b) Mr. Soham, a builder, entered into an agreement on 1.4.2023 with Mr. Aman to transfer 4<sup>th</sup> Floor in Tower A of a new project for ₹ 1,50,00,000. He received ₹ 25 lakhs as advance in cash on 1.4.2023. The stamp duty value of such floor on that date was ₹ 1,70,00,000. The sale deed was executed and registered on 15.6.2023 for the agreed consideration. However, the stamp duty value on that date was ₹ 1,75,00,000.

Discuss the tax consequences of above, in the hands of Mr. Soham and Mr. Aman. **(5 Marks)**

4. (a) Mr. Mohan, aged 30 years, submits the information of following transaction/income during the P.Y. 2023-24
- (i) Mr. Mohan had a house in Delhi. During financial year 2020-21, he had transferred the said house to Ms. Veena, daughter of his brother without any consideration. House would go back to Mr. Mohan after the life time of Ms. Veena. The transfer was made with a condition that 15% of rental income from such house shall be paid to Mrs. Mohan. Rent received by Ms. Veena during the previous year 2023-24 from such house property is ₹ 6,50,000.
  - (iii) Mr. and Mrs. Mohan forms a partnership firm with equal share in profits. Mr. Mohan transferred a fixed deposit of ₹ 50 lakhs to such firm. Firm had no income or expense other than the interest of ₹ 6,00,000 received from such fixed deposit. Firm distributed the entire surplus to Mr. and Mrs. Mohan at the end of the year.
  - (iv) Mr. Mohan holds preference shares in M/s X Pvt. Ltd. He instructed the company to pay dividends to Ms. Roshni, daughter of his servant. The transfer is irrevocable for the life time of Roshni. Dividend received by Ms. Roshni during the previous year 2023-24 is ₹ 10,00,000.
  - (v) Mr. Mohan has a short term capital loss of ₹ 16,000 from sale of property and long term capital gain of ₹ 15,000 from sale of property.
  - (vi) Other income of Mr. Mohan includes
    - Interest from saving bank account of ₹ 2,00,000
    - Cash gift of ₹ 75,000 received from daughter of his sister on his birthday.
    - Income from betting of ₹ 34,000
    - Income from card games of ₹ 46,000

- Loss on maintenance of race horses of ₹ 14,600

Compute the total income of Mr. Mohan for the Assessment Year 2024-25 and the losses to be carried forward if he pays tax under normal provisions of the Act. **(7 Marks)**

- (b) 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 2023-24. Is he liable to file his return of income under section 139(1) for the Assessment year 2024-25? If so why? **(3 Marks)**

**OR**

- (b) Examine with reasons, whether the following statements are true or false, with regard to the provisions of the Income-tax Act, 1961:
- (i) The Assessing Officer has the power, *inter alia*, to allot PAN to any person by whom no tax is payable.
  - (ii) Where the Karta of a HUF is absent from India, the return of income can be verified by any male member of the family.

**(3 Marks)**



## **SECTION B – GOODS AND SERVICES TAX (50 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, 2023, including significant notifications and circulars issued, up to 30th June, 2024.

### **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: 15 Marks**

#### **Case Scenario 1**

Anushka, registered under GST in the State of Madhya Pradesh, is engaged in supplying multiple taxable goods and services. She has undertaken the following activities/transactions in the month of October in the current financial year:

- (i) Donated some money to Netrajyoti Charitable Trust, Madhya Pradesh, in the memory of her late mother. The Netrajyoti Charitable Trust constructed a room in the school run by it from such donation and wrote “Donated by Miss. Anushka in the memory of her mother” on the door of the room so constructed.
- (ii) Organized a seminar in Indore which was sponsored by WE-WIN Cricket Academy, an LLP. Anushka received a sponsorship fee of ₹1,50,000.
- (iii) Ashoka Public School intended to distribute gift packages consisting of fountain pen, calculator and tape dispenser to its students on the occasion of Children’s Day. Therefore, it entered into a contract with Anushka on 28<sup>th</sup> October for supply of 2,000 packages at a single price of ₹ 250. Rates of GST for fountain pen, calculator and tape dispenser are 5%, 12% and 18% respectively.
- (iv) Received the following payments during the month of October:
  - earned ₹ 160,000 by performing at a western Indian cinematic concert in Indore
  - earned ₹ 50,000 for renting of space for use as a Textile Emporium
  - received ₹ 70,000 for supply of farm labour
- (v) Supplied machinery with a basic price of ₹ 45,000 (before TCS under Income Tax Act, 1961). Tax collected at source under Income-tax Act, 1961 on said machinery is ₹ 2,500. Further, a subsidy of ₹50,000 is received from Prakarti Foundation Pvt. Ltd for usage of green energy and the subsidy was linked to energy saved during the month.

Anushka needs to transport one consignment to the transporter and then to the consignee. The distance, within the same State, between her godown and the transporter is 20 kms and from the place of transporter to consignee is 99 kms, respectively.

All the amounts given above are exclusive of GST, wherever applicable.

Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. 1 to 5 below:-

1. Donation made by Anushka to Netrajyoti Charitable Trust is \_\_\_\_\_.
  - (a) exempted from GST by way of a notification
  - (b) not a supply at all
  - (c) liable to GST under forward charge
  - (d) liable to GST under reverse charge
2. Which of the following statements is correct with respect to the sponsorship fee received by Anushka?
  - (a) Tax on sponsorship services is payable by Anushka under forward charge.
  - (b) Tax on sponsorship services is payable by WE-WIN Cricket Academy under reverse charge.
  - (c) Sponsorship services are exempt from GST since services provided to a sports academy are exempt.
  - (d) Tax on sponsorship services is payable by Anushka under reverse charge.
3. Determine the nature of supply and the applicable rate of GST for the packages supplied by Anushka to Ashoka Public School.
  - (a) composite supply & applicable rate of GST is 12%
  - (b) mixed supply & applicable rate of GST is 18%
  - (c) composite supply & applicable rate of GST is 18%
  - (d) mixed supply & applicable rate of GST is 12%
4. Out of all the payments received by Anushka in the month of October, value of exempt supply amounts to \_\_\_\_\_.
  - (a) ₹ 4,30,000
  - (b) ₹ 70,000
  - (c) ₹ 1,20,000
  - (d) ₹ 2,20,000

5. The value of supply of machinery supplied by Anushka is\_\_\_\_\_.
- ₹ 45,000
  - ₹ 47,500
  - ₹ 48,500
  - ₹ 51,000
6. Which of the following statements is true in respect of furnishing of details of conveyance in Part B of e-way bill?
- Part B need not be filed in respect of transport of consignment from Godown of Anushka to transporter location.
  - Part B need not be filed in respect of transport of consignment from transporter location to consignee's location.
  - Information in Part-B is neither required in transport of consignment from Godown of Anushka to transporter location nor from transporter location to consignee's location.
  - Information in Part-B is mandatory in transport of consignment from Godown of Anushka to transporter location and from transporter location to consignee's location. **(6 x 2 Marks = 12 Marks)**
7. While filing return for the month of November, a firm - Vedika & Co. - registered under GST generated E-Challan on 5<sup>th</sup> December for making payment of GST through RTGS of their bank. Determine the validity of E-Challan generated by Vedika & Co. for payment of taxes for the month of November?
- 5<sup>th</sup> December
  - 15<sup>th</sup> December
  - 20<sup>th</sup> December
  - 31<sup>st</sup> December **(1 Mark)**
8. Vikas Nigam Limited (a Public Sector Undertaking) has placed an order to Bharti Steels registered in Bokaro, Orissa for supply of 70 Iron shields each costing ₹ 12000 (exclusive of GST). However, the supply will take place in 3 lots containing 10 shields, 20 shields, 40 shields on different days. Determine whether tax is required to be deducted under GST law by Vikas Nigam Limited on the above order?
- No TDS will be deducted
  - TDS to be deducted on the third lot of 40 shields only as value exceeds Rs. 2,50,000
  - TDS to be deducted on entire order of 70 shields
  - TDS to be deducted on supply of 2nd order of 20 shields **(2 Marks)**

## Division B - Descriptive Questions

**Question No. 1 is compulsory.**

**Attempt any two questions out of remaining three questions.**

**Total Marks:35 Marks**

1. (a) Aashima Limited, a registered dealer in Patna (Bihar), is engaged in various types of supplies. The company provided the following details for the month of January 2024:

Sl. No.	Particulars	Amount in ₹												
(i)	Outward supply of goods made during the month to various non-related persons:	As given in particulars column												
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 5%;"></th> <th style="text-align: center;">Particulars</th> <th style="text-align: center;">Market value</th> <th style="text-align: center;">Transaction Value (₹)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">a.</td> <td>in the State of Bihar (Intra-State)</td> <td style="text-align: center;">3,00,000</td> <td style="text-align: center;">4,00,000</td> </tr> <tr> <td style="text-align: center;">b.</td> <td>to other States (Inter-State)</td> <td style="text-align: center;">2,00,000</td> <td style="text-align: center;">1,00,000</td> </tr> </tbody> </table>		Particulars	Market value	Transaction Value (₹)	a.	in the State of Bihar (Intra-State)	3,00,000	4,00,000	b.	to other States (Inter-State)	2,00,000	1,00,000	
	Particulars	Market value	Transaction Value (₹)											
a.	in the State of Bihar (Intra-State)	3,00,000	4,00,000											
b.	to other States (Inter-State)	2,00,000	1,00,000											
(ii)	Services by way of warehousing of potato chips (Inter-State transaction)	5,00,000												
(iii)	Stock transfer without consideration to its branch at Gaya (Bihar). Branch has separate GSTN for convenience of accounting and billing. Value under section 15 of the CGST Act, 2017 - ₹ 20,000 (Intra -State)	Nil												
(iv)	Intra-State inward supply of various services for use in the course or furtherance of business (30 invoices)	6,50,000												

### **Additional Information:**

- (a) All the amounts given above are exclusive of taxes.
- (b) During the course of arranging and filing documents, the accountant of Aashima Limited observed that an invoice for ₹ 30,000 (excluding tax) dated 02.12.2023 was omitted to be recorded in the books of accounts and no payment was made against the same till the end of January 2024. This invoice was issued by Mr. Suhaas of Patna, from whom Aashima Limited had taken cars on rental basis. Invoice included cost of fuel also. (Intra-State transaction).
- (c) Rate of GST applicable on various supplies are as follows:

Nature of supply	CGST	SGST	IGST
Car rental service	2.5%	2.5%	5%
All other inward and outward supplies	9%	9%	18%

- (d) No opening balance of input tax credit exists in the beginning of the month.
- (e) Out of the 30 invoices of inward supply received, 6 invoices with taxable value amounting to ₹ 1,50,000 were e-invoices in which Invoice Reference Number (IRN) was not mentioned. However, all the invoices were duly reflected in GSTR 2B for the month of January 2024, since the suppliers had filed their GSTR-1.
- (f) Subject to the information given above, conditions necessary for claiming ITC were complied with.
- (g) Aashima Ltd. is not engaged in renting of cars business.

You are required to calculate the amount of net GST liability payable in cash by Aashima Limited for the month of January 2024. Brief notes for treatment given for each item should form part of your answer.

**(10 Marks)**

- (b) Shri Narayan Pvt. Ltd., a registered supplier, furnishes the following information relating to goods sold by it to Shri Ram Pvt. Ltd.-

S. No.	Particulars	Amount (₹)
(i)	Price of the goods [excluding taxes and other charges mentioned at S. Nos. (iii), (v) and (vi)]	1,00,000
(ii)	Municipal tax	2,000
(iii)	Inspection charges	15,000
(iv)	Subsidy received from Shri Shyam Trust [Subsidy is directly linked to the goods supplied]	50,000
(v)	Late fees for delayed payment inclusive of GST [Shri Ram Pvt. Ltd. paid the late fees. However, these charges were ultimately waived by Shri Narayan Pvt. Ltd. and the amount was refunded to Shri Ram Pvt. Ltd. during the same month]	1,000
(vi)	Weighment charges [Such charges were paid by Shri Ram Pvt. Ltd. to Radhe Pvt. Ltd. on behalf of Shri Narayan Pvt. Ltd.]	2,000

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

Determine the value of taxable supply made by Shri Narayan Pvt. Ltd. to Shri Ram Pvt. Ltd.

**(5 Marks)**

2. (a) Determine the time of supply from the given information in each of the following independent cases:

(i)

Particulars	Date
Supplier invoices goods taxable on reverse charge basis to Saroj & Co. (30 days from the date of issuance of invoice elapse on June 3)	May 4
Saroj & Co receives the goods	May 12
Saroj & Co makes the payment	May 30

(ii)

Particulars	Date
Supplier invoices goods taxable on reverse charge basis to Durable & Co. (30 days from the date of issuance of invoice elapse on June 3)	May 4
Durable & Co receives the goods, which were held up in transit	June 12
Payment made for the goods	July 3

**(4 Marks)**

- (b) Examine whether the following activities would amount to supply under section 7 read with Schedule I:

(i) Rimjhim Manufacturers have a factory in Delhi and a depot in Mumbai. Both these establishments are registered in respective States. Finished goods are sent from factory in Delhi to the Mumbai depot without consideration so that the same can be sold from the depot.

(ii) Mohan is an architect in Chennai. His brother who is settled in London is a well-known lawyer. Mohan has taken legal advice from him free of cost with regard to his family dispute. **(6 Marks)**

3. (a) World Fashions, a registered supplier of designer outfits in Delhi, decides to exhibit its products in a Fashion Show being organised at Hotel Green India, Delhi on 4<sup>th</sup> January. For the occasion, it gets the service by way of makeover of its models from Glamour Beauty Services Ltd., Mayur Vihar, on 4<sup>th</sup> January, for which a consideration of ₹ 5,00,000 (excluding GST) has been charged. Glamour Beauty Services Ltd. issued a duly signed tax invoice on 10<sup>th</sup> February showing the lumpsum amount of ₹ 5,90,000 inclusive of CGST and SGST @ 9% each for the services provided. Answer the following questions:

(i) Examine whether the tax invoice has been issued within the time limit prescribed under law.

(ii) Tax consultant of World Fashions objected to the invoice raised

suggesting that the amount of tax charged in respect of the taxable supply should be shown separately in the invoice raised by Glamour Beauty Services Ltd. However, Glamour Beauty Services Ltd. contended that there is no mandatory requirement of showing tax component separately in the invoice. You are required to examine the validity of the objection raised by tax consultant of World Fashions. **(5 Marks)**

- (b) M/s Balaji 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?

**(5 Marks)**

4. (a) What is the place of supply for mobile connection? Can it be the location of supplier? **(5 Marks)**

**Or**

- (a) What would be the place of supply of services provided by an event management company for organizing a sporting event for a Sports Federation which is held in multiple States? **(5 Marks)**
- (b) What are the documents and devices to be carried by person-in-charge of conveyance under rule 138A of CGST Rules, 2017? Also explain the meaning of consignment value of goods. **(5 Marks)**