

**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 (Direct Taxation)

Answer Question No. 1 and any three from Question No. 2, 3, 4 and 5.

1. (a) Choose the correct alternative:**[1 × 6 = 6]**

- (i) The maximum amount of leave salary not chargeable to tax as specified by the Government in case of a non-Government employee is:
 - a. ₹ 75,600
 - b. ₹ 77,760
 - c. ₹ 2,40,000
 - d. ₹ 3,00,000
- (ii) When income of a minor is clubbed, assessee will get deduction u/s 10(32) of :
 - a. ₹ 1,500
 - b. Income clubbed subject to maximum of ₹ 1,500
 - c. Such deduction is not available u/s 10(32) but u/s 10(33)
 - d. None of the above
- (iii) Mr. X is engaged in growing and manufacturing tea in India. His income from this activity is ₹ 1,40,000. His agriculture income will be –:
 - a. ₹ 70,000
 - b. ₹ 84,000
 - c. ₹ 1,40,000
 - d. ₹ 56,000
- (iv) An individual (aged 28 Years) born in India left for first time for employment in France on 30.10.2022. His visit outside India is for the first time. His residential status for the assessment year 2023-24 will be –
 - a. Resident and ordinarily resident
 - b. Resident but not ordinarily resident
 - c. Non-resident
 - d. Residential Status is not applicable

**DIRECT AND INDIRECT TAXATION**

- (v) The provision of sec.56(2)(x) is applicable on:
- All assessee
 - Only on corporate assessee
 - On an individual only
 - On an individual and HUF only
- (vi) Interest relating to pre-construction period is allowable:
- In 5 equal installments from the year in which it was incurred.
 - In the year in which it was incurred
 - In the year in which house property was constructed
 - None of the Above

(b) State True or False**[1 × 4 = 4]**

- Capital gain arising from compulsory acquisition of a property under law is taxable in the year of receipt of compensation or part thereof.
- The due date for filing return of income u/s 139(1) in the case of individual assessee having turnover above ₹1,000 lakhs is 31st October of the relevant assessment year.
- It is not possible to have negative income under the head 'income from house property'.
- A firm resident in India having total income of ₹1,46,000/- is eligible to claim deduction u/s 80D.

(c) Fill in the blanks**[1 × 4 = 4]**

- Interest on enhanced compensation received by Mr. A, a resident individual is ₹ 4,00,000 of which 75% pertains to earlier financial years. The amount of such interest to be included in the total income under the head 'income from other sources' is ₹ _____.
- Fixed medical allowance of ₹2,000 per month paid by an employer is _____, in the hands of the employee.
- The maximum amount deductible u/s 80TTA in respect of interest on savings bank account is ₹ _____.
- Unabsorbed loss under the head 'Capital gains' shall be carried forward for a period of _____ assessment years immediately following the assessment year in which such loss was incurred.



DIRECT AND INDIRECT TAXATION

2. (a) Determine the status of the following:
- Howrah Municipal Corporation
 - Corporation Bank Ltd.
 - Mr. Amitabh Bachchan
 - Amitabh Bachchan Corporation Ltd.
 - A joint family of Sri Ram, Smt. Ram and their son Lav and Kush
 - Calcutta University
 - X and Y who are legal heirs of Z
 - Sole proprietorship business.
- (b) Mrs. Mala, resident and ordinarily resident, furnishes the following information for the previous year 2022-23. Compute her income from other sources for the assessment year 2023-24.
- Winning from lottery received ₹ 1,40,000 (expenses incurred ₹ 2,000).
 - Gift received from one of her friend on the occasion of marriage of her son Mr. Bala ₹ 1,01,000
 - Dividend from Tata Steel ₹ 30,000. Interest of ₹ 10,000 paid on borrowed capital for investment in shares.
 - Family pension received ₹ 48,000.
 - Income from agriculture land situated in Bangladesh ₹ 24,000. [4 + 8 = 12]
3. (a) From the following particulars of income of Mr. Amar for the previous year ended 31.3.2023 compute his taxable salary for the assessment year 2023-24.
- Salary (basic) - ₹ 5,000 per month, Entertainment allowance – ₹ 500 per month
 - Children's education allowance – ₹ 300 p.m. per child for 4 children.
 - Director's fees (from the employer company) – ₹ 5,000 per annum.
 - Mr. Amar contributes 14% to recognised provident fund and his employer contributes equal amount. Interest credited to fund @ 13% p.a. is ₹ 7,800. The employer has provided a car of 1.7 cc.
- (b) For the Assessment year 2023-24, the Gross Total Income of Mr. Chaturvedi was ₹ 1,68,240 which includes long-term capital gain of ₹ 45,000 and Short-term capital gain of ₹ 8,000. The Gross Total Income also includes interest income from fixed deposits with banks of ₹ 12,000. Mr. Chaturvedi has invested in PPF ₹ 60,000 and also paid a medical insurance premium ₹ 11,000. Mr. Chaturvedi also contributed ₹ 15,000 to Public Charitable Trust eligible for deduction under section 80G. Calculate the total income and the amount of deduction under each section of the Income Tax Law. [80C, 80D, 80G] [6 + 6 = 12]



DIRECT AND INDIRECT TAXATION

- 4 (a) Mention any six income which is considered as agricultural income.
- (b) Advise the amount of advance tax payable by A on specified dates for the financial year 2022-23:

Business income (Tax of ₹ 4,704 is deducted at source)	₹ 5,11,000
Agricultural income	₹ 86,000

[4+8=12]

5. (a) For the previous year 2022-23, Mr. Swarup has furnished the following information:

	₹
Income from salary (computed)	5,20,000
Income from house property	95,000
Bank Interest on fixed deposit	18,000
Long-term capital gains	30,000
Short-term capital loss	5,000

He made the following payments:

	₹
(i) LIP on own life (sum assured ₹ 2,00,000)	22,000
(ii) LIP on wife's life (sum assured ₹ 1,00,000)	10,000
(iii) Deposit in PPF	18,000
(iv) Paid for mediclaim (on own health)	12,000
(v) Medical expenses on treatment of dependent (Physically handicapped brother)	25,000
(vi) Donation to Prime Minister's National Relief Fund	10,000
(vii) Donation to Ramkrishna Mission	12,000

Analyze his different component of income and determine his total income and tax payable for the A.Y. 2023-24.

- (b) X & Co. is a partnership firm, which sets up a new industrial unit. It incurs the following expenditure in connection with the new unit:

	₹
Preparation of project report	4,00,000
Market survey	5,00,000
Total	9,00,000



The following further data is available:

Cost of project	₹ 30,00,000
Capital employed in the new unit	₹ 40,00,000

What is the deduction admissible to the firm u/s 35D for A.Y. 2023-24? [8+4=12]

SECTION - B : (INDIRECT TAXATION)

Answer Question No. 6 and any three from Question No. 7, 8, 9 and 10.

6. (a) Choose the correct alternative

[1× 6=6]

(i) Indirect tax is:

- a. Regressive in nature
- b. Progressive in nature
- c. Suppressive in nature
- d. None of these

(ii) Cascading effect of tax means:

- a. Tax on goods
- b. Tax on services
- c. Tax on Tax
- d. None of these

(iii) Renting of precincts of a religious place meant for general public owned or managed by a charitable or religious trust u/s 12AA of the Income Tax Act 1961 shall be exempt if:

- a. Renting of rooms where per day charges are less than ₹ 1,000
- b. Renting of shops or other spaces for business or commerce where charges per month are less than ₹10,000
- c. Renting of premises, community halls or open area, where charges per day are less than ₹ 10,000
- d. All of the above

(iv) Annual return is summary of:

- a. GSTR 1
- b. GSTR 3B
- c. GSTR 4
- d. All of the above



- (v) As per Section 2(31) of the Customs Act, person in charge means:
- Vessel - Master
 - Train - Conductor (or) Guard
 - Vehicle – Driver
 - All of the above
- (vi) While computing assessable value for the customs, buying commission shall be included in the assessable value. Is this statement correct?
- No
 - Yes
 - Yes, if buying commission is paid in foreign currency
 - None of the above

(b) State true or false **[1× 4=4]**

- In case of air transport, transportation cost should be restricted to 20% of the FOB value, while computing assessable value.
- Margin of dumping means the positive difference between normal value and export price.
- Services supplied by an insurance agent to any person carrying on insurance business is liable for forward charge.
- A registered person cannot avail input tax credit unless he is in possession of a tax invoice or a debit note.

(c) Fill in the blanks **[1× 4=4]**

- Sec._____ of the Customs Act empowers the Government to grant exemption.
- For the purpose of customs, exchange rate notified by _____ shall be considered.
- Article 246 read with Schedule_____ divides subject matter of law made by legislature into three categories.
- A shopkeeper selling storage water bottles along with refrigerator, is an example of _____ supply.

7. (a) What were the issues in the pre-GST regime, which were addressed by the GST law?
- (b) A commodity is imported into India from a country covered by a notification issued by the Central Government u/s 9A of the Customs Tariff Act, 1975. Following particulars are made available:



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- Assessable Value for levying Basic Customs Duty: ₹ 12,62,500
- Quantity imported: 500 kgs.
- Basic customs duty: 10%
- IGST: 18%

As per the notification, the anti-dumping duty will be equal to the difference between the cost of commodity calculated @ US\$ 50 per kg (Exchange Rate is 1 USD = INR 70) and the landed value of the commodity as imported.

Appraise the liability on account of normal duties and the anti-dumping duty.

[3+9=12]

8. (a) Ratul Pvt. Ltd. of West Bengal exclusively manufactures and sells product 'R' which is exempt from GST vide notifications issued under relevant GST legislations. The company sells 'R' only within West Bengal and is not registered under GST laws. The turnover of the company in the previous year 2021-22 was ₹ 50 lakh. The company expects the sales to grow by 10% in the current year 2022-23.

However, effective 01.01.2023, exemption available on 'R' was withdrawn by the Central Government and GST @ 5% was imposed thereon. The turnover of the company for the nine months ended on 31.12.2022 was ₹ 42 lakh.

Ratul Pvt. Ltd. is of the opinion that it is not required to get registered under GST for current financial year 2022-23. Discuss the case with the comply as per GST Law.

- (b) W Ltd., a registered supplier, is engaged in the manufacture of Tanks. The company provides the following information pertaining to GST paid on the purchases made/input services availed by it during the month of January 2023:

Particulars	GST Paid (₹)
Purchase of Machinery where debit note is issued	2,15,000
Input purchased was directly delivered to Mr. X, a job worker and a registered supplier	1,00,000
Computers purchased (Depreciation was claimed on the said GST portion under the Income-Tax Act, 1961)	5,000
Works Contract services availed for construction of Staff quarters within the company premises	2,25,000

Examine with the provisions of law with respect to ITC available to the company considering that all the conditions necessary for availing the ITC has been fulfilled.

[4+8=12]



9. (a) Explain the provision of Transfer of credit on sale, merger, amalgamation, lease or transfer of a business [Rule 41].
- (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, 2022:

Particulars	₹
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

Calculate the value of taxable supply made by Y Ltd. for the month of October, 2022. **[3+9=12]**

10. (a) X & Co. imported some goods from USA for being used in manufacture of its final product. Determine the exchange rate to be considered for computation of import duty from the following information:

Date	Particulars	Rate of exchange for 1 US\$ notified	
		By CBIC	By RBI
10.10.22	Import general manifest was submitted by master of vessel	₹ 64.20	₹ 63.20
15.10.22	Entry Inwards was granted by the customs officer	₹ 64.30	₹ 65.30
22.10.22	X & Co. presented the Bill of Entry	₹ 64.50	₹ 62.50
31.10.22	Goods were allowed to be cleared from the customs port	₹ 64.60	₹ 63.60



- (b) M/s. VMA, a registered taxable person under regular scheme provides following information in respect of supplies made by it during the month of April, 2022

	₹
Inter-state supply of goods	2,00,000
Intra-state supply of 1000 packets of detergent @ ₹ 400 each alongwith a plastic bucket worth ₹ 100 each with each packet, being a mixed supply. (Rate of GST on detergent is 18% and on plastic bucket is 28%)	
Supply of online educational journals to M/s XYZ, a private coaching centre providing tuitions to students of Class X-XII, being intra-state supply	1,00,000
M/s. VMA has also received the following inward supplies:	
Inter-state supply of goods (out of which invoice for goods worth ₹40,000 is missing and no other tax paying document is available)	1,40,000
Repairing of bus with seating capacity of 20 passengers used to transport its employees from their residence, being intra-state supply	1,00,000
Details of opening balances of ITC as on 1-4-2022 are as follows:	
- CGST	10,000
- SGST	10,000
- IGST	80,000

Following additional information is provided:

- Rate of GST in respect of all inward and outward supplies except item (ii) above is 18%. i.e. CGST and SGST @ 9% and IGST @ 18%.
- All figures mentioned above are exclusive of taxes.
- All the conditions for availing the ITC have been fulfilled except specifically given and M/s. VMA is not eligible for any threshold exemption.

Analyze the transactions & advice minimum net GST payable in cash by M/s. VMA for the month of April, 2022.

[4+8=12]