

**INTERMEDIATE EXAMINATION****SET 1****MODEL QUESTION PAPER****TERM – DECEMBER 2024****PAPER – 7****SYLLABUS 2022****DIRECT AND INDIRECT TAXATION****Time Allowed: 3 Hours****Full Marks: 100**

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

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

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

- (i) Interest on company deposit in Canada amounted to ₹ 30,000, out of which 1/3rd received in India. Find out the income which is liable to be taxed in India in case of a non-resident for A.Y. 2024-25.
- (a) ₹ 10,000
(b) ₹ 30,000
(c) ₹ 20,000
(d) None of the above
- (ii) Mr. Laloo Singh, received hostel allowance of ₹ 1,000 p.m. He has three children. None of his children are studying. The taxable hostel allowance if he opts for old regime will be:
- (a) ₹ 8,400
(b) ₹ 12,000
(c) ₹ 4,800
(d) Nil
- (iii) Share of Profit of Mr. A who is Partner in M/s AB & Co. is-
- (a) Exempt from tax
(b) Taxable as his Business Income
(c) Taxable as his Salary
(d) Taxable as Income from Other Sources
- (iv) Mr. X incurred a loss of ₹ 90,000 for owning and maintaining race-horses and received rent from land for ₹ 1,30,000. His income from other sources will be:
- (a) ₹40,000
(b) ₹1,30,000
(c) (₹ 90,000)
(d) None of the above.



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- (v) Under old regime, the maximum amount which can be donated in cash for claiming deduction under section 80G for the P.Y. 2023-24 is –
- (a) ₹ 5,000
 - (b) ₹ 10,000
 - (c) ₹ 10,000
 - (d) ₹ 2,000
- (vi) Mothi has won a state government lottery of ₹ 1,00,000 on 11-10-2023. The state government should deduct tax on such winning amounting to –
- (a) ₹ 30,900
 - (b) ₹ 33,000
 - (c) ₹ 29,070
 - (d) ₹ 30,000
- (vii) As per Union List (List I), Central Government has power of legislation on Duties of customs including export duties i.e., Customs Act under Entry _____
- (a) 82
 - (b) 83
 - (c) 84
 - (d) 86
- (viii) X & Co., a supplier registered under GST in Meghalaya, wants to opt for composition levy. The aggregate turnover limit for composition levy is-
- (a) ₹ 50 lakh
 - (b) ₹ 75 lakh
 - (c) ₹ 1.5 crore
 - (d) None of the above
- (ix) Which of the following activities is neither a supply of goods nor a supply of services?
- (a) works contract
 - (b) Construction of a complex
 - (c) Services of funeral, burial, crematorium or mortuary
 - (d) Renting of immovable property
- (x) Under GST, fees charged for yoga camp conducted by a charitable trust, will be:
- (a) Taxable



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- (b) Exempted
- (c) Exempted up to ₹5,000
- (d) None of the above.
- (xi) Which of the following categories of persons shall be required to be registered, irrespective of size of their turnover?
- (a) Persons who are required to pay tax under reverse charge
- (b) Non-resident taxable persons making taxable supply
- (c) Input service distributors
- (d) All of the above.
- (xii) Invoice shall be prepared in _____ in case of taxable supply of goods and in _____ in case of taxable supply of services.
- (a) Triplicate, Duplicate
- (b) Duplicate, Triplicate
- (c) Duplicate, Duplicate
- (d) Triplicate, Triplicate
- (xiii) _____ mean goods, other than imported goods, transported in a vessel from one port in India to another.
- (a) Prohibited goods
- (b) Coastal goods
- (c) Transit of goods
- (d) Transshipment of goods
- (xiv) C Ltd., an importer, has imported a machine from USA at FOB value as per customs of \$ 10,000. Rate of exchange as announced by RBI was: ₹ 74.70 = 1 US \$ and rate of exchange as announced by CBIC: ₹ 75.60 = 1 US \$. The FOB value in Indian Rupee will be:
- (a) ₹7,56,000
- (b) ₹7,47,000
- (c) 7,51,500
- (d) None of the above
- (xv) If the goods are received in lots/instalment _____.
- (a) 50% ITC can be taken on receipts of 1st lot and balance 50% on receipt of last lot.
- (b) ITC can be availed upon receipt of last lot.

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- (c) 100% ITC can be taken on receipt of 1st lot.
(d) Proportionate ITC can be availed on receipt of each lot/instalment.

SECTION-B**(Answer any five questions out of seven questions given. Each question carries 14 Marks.)****[5x14=70]**

2. (a) Briefly analyze assessment year with the help of an example. Discuss the exceptions to the general rule that income of a Previous Year is taxed in its Assessment Year. [7]
- (b) Mrs. X is working with ABC Ltd. since last 30 years 9 months. Her salary structure is as under:
Basic ₹ 5,000 p.m. Dearness allowance ₹ 3,000 p.m.
On 15/12/2023, she died. Discuss the treatment of gratuity in following cases:
Case 1: Mrs. X retired on 10/12/2023 & gratuity ₹ 4,00,000 received by her husband (legal heir) as on 18/12/2023.
Case 2: Husband of Mrs. X received gratuity on 18/12/2023 falling due after death of Mrs. X.
Mrs. X is covered by the Payment of Gratuity Act. [7]
3. (a) Mr. Ajnabi has a house property in Cochin. The house property has two equal dimension residential units. Unit 1 is self-occupied throughout the year and unit 2 is let out for 9 months for ₹ 10,000 p.m. and for remaining 3 months it was self-occupied. Compute his taxable income from the following details assume that he has opted for old regime:
Municipal value - ₹ 2,00,000, Fair Rent - ₹ 1,60,000, Standard rent - ₹ 3,00,000, Municipal tax - 10% (60% paid by assessee), Interest on loan - ₹ 40,000, Expenditure on repairs - ₹ 20,000. [7]
- (b) X Co., a firm, is engaged in the business of trading of cloth (turnover of 2023-24 being ₹ 1,57,80,000, out of which ₹ 25,00,000 has been received in account payee cheque). It wants to claim the following deductions:

Particulars	Amount (₹)
Salary and interest to partners [as permitted by sec. 40(b)]	60,000
Salary to employees	4,90,000
Depreciation	2,70,000
Cost of materials used	1,20,90,000
Other expenses	13,45,000
Total	1,42,55,000
Net profit (₹ 1,57,80,000 – ₹ 1,42,55,000)	15,25,000

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Determine the net income of X & Co. for the assessment year 2024-25 assuming that (i) taxable interest income is ₹ 90,000; (ii) Long term capital gain is ₹ 1,40,000; and (iii) the firm is eligible for a deduction of ₹ 15,000 under sec. 80G. [7]

4. (a) Sunil has a house property acquired on 7/07/1995 for ₹ 3,00,000. He incurred improvement expenditure on such property ₹ 70,000 on 16/08/2000 and ₹ 50,000 on 17/07/2010. Market value of such property as on 1/04/2001 is ₹ 4,50,000. On 16/08/2013, such property is compulsorily acquired by the Government and compensation decided at ₹ 11,50,000. 20% of the compensation received on 31/03/2024 and balance on 2/06/2024.

On further appeal, on 16/08/2024 enhanced compensation is declared by the Government ₹ 2,00,000. Expenditure incurred to get enhanced compensation is ₹ 11,000. Such compensation received on 18/08/2025. Compute income under the head Capital Gains of Sunil for the assessment year 2024-25, 2025-26 and 2026-27. [7]

- (b) Compute taxable income under the head Income from other sources of Mrs. X from the following data for A.Y. 2024-25:

Particulars	Amount (₹)
Private tuition fee received	10,000
Winning from lottery	2,000
Award from KBC (a TV show) [Gross]	3,20,000
Pension from employer of deceased husband	25,000
Interest on bank deposit	25,000
Directors fee (Gross)	5,000
Letting out of vacant land	25,000

[7]

5. (a) Mr. Bhola has furnished you the following data –

Income from house property	(₹ 1,30,000)
Salaries (Net)	₹ 80,000
Income from other sources	(₹ 90,000)
Income from lotteries	₹ 3,50,000

Examine and advise Mr. Bhola regarding set off and carry-forward. [7]

- (b) Compute total income of Sri Bajaj of Delhi from the following data, if he opts for old regime:

Particulars	Amount (₹)
Profits & gains of business or profession	8,00,000
Income from house property (let-out and situated at Kolkata)	40,000
Income from other sources	10,000

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Rent paid for office	8,000
Rent paid for residential house	1,20,000

[7]

6. (a) Make a comparison between Direct Tax and Indirect Tax. [7]
- (b) Discuss the benefits of GST in respect to business and industry, Central and State Governments and the Consumers. [7]
7. (a) Discuss with reason, the person liable to pay GST in the following cases, assuming the recipient is located at taxable territory:
- (i) Rental income received by West Bengal State Government from renting of an immovable property to ABC Pvt. Ltd. The turnover of ABC Pvt. Ltd. was ₹39 lakhs in the preceding financial year).
- (ii) Legal fees received by Mr. A, an advocate, from M/s. XYZ Trading Company having turnover of ₹49 lakhs in the preceding financial year.
- (iii) Mr. X receives advance payment for providing specific service in future.
- (iv) P & Co., a partnership firm provides security services to RT Ltd. registered under GST. [7]
- (b) Certain goods are sent by Mr. X on sale on approval or return basis to Mr. Y on 22nd April 2023. The supply gets confirmed and invoice is issued on:
- Case 1: 20th August 2023
Case 2: 22nd November 2023
Payment in each of the cases is made on 23rd November 2023.
Determine the time of supply. [7]
8. (a) Discuss briefly the due dates and applicability of GSTR-1, GSTR-3B and GSTR-4. [7]
- (b) A commodity is imported into India from a country covered by a notification issue by the Central Government u/s 9A of the Customs Tariff Act, 1975. Following particulars are made available:
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. [7]