

**INTERMEDIATE EXAMINATION****SET 1****MODEL QUESTION PAPER****TERM – DECEMBER 2025****PAPER – 7****SYLLABUS 2022****DIRECT AND INDIRECT TAXATION****Time Allowed: 3 Hour****Full Marks:100**

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

**SECTION – A (Compulsory)****1. Choose the correct option:****[15 x 2 = 30]**

- (i) An individual, being foreign national, came to India first time during the previous year 2024-25 on 01-03-2025 for 200 days, his residential status for the previous year 2024-25 is.
- Non-resident
  - Resident but not ordinarily resident in India
  - Resident and ordinarily resident in India
  - Resident in India
- (ii) Mr. Keshav, engaged in the growing and manufacturing of tea, furnished the following information for the previous year 2024-25. Sale of Tea is ₹15,00,000 and growing and manufacturing expenses of tea is ₹5,00,000 then find the taxable income of Mr. Keshav for the A. Y. 2025-26.
- ₹4,00,000
  - ₹6,00,000
  - ₹10,00,000
  - ₹6,00,000
- (iii) Who from the followings will be considered as a specified employee of ABC Pvt. Ltd. as defined u/s 17(2)(iii) of the Income Tax Act, 1961 for the assessment year 2025-2026?
- Mr. D, a part time director employee but resigned on 02-05-2024
  - Mr. E, who holds 15% of its equity shares and his wife holds 6% of its equity shares
  - Mr. F who joined it on 01-02-2025 and his taxable monetary salary for the year from ABC Pvt. Ltd. is ₹50,000 p.m.
  - None of the above
- (iv) Mr. Chopra purchased a residential house on 20th July 2022 for ₹10,00,000 and made improvements costing ₹2,00,000 in August 2022. He sold the house in April 2024 for ₹20,00,000. Out of the sale proceeds, he spent ₹5,00,000 to purchase another house in September 2024. What is the amount of capital gains taxable in the hands of Mr. Chopra for the A.Y. 2025-26?
- ₹0 (fully exempt under Section 54)
  - ₹5,00,000
  - ₹8,00,000
  - ₹10,00,000

**DIRECT AND INDIRECT TAXATION**

- (v) Mr. Nitin had bought a laptop for ₹50,000 on 01.04.2022 for his personal use. He started using this laptop for his business purposes only since 02.05.2024. On that date, the market value of the laptop was ₹40,000. What is the amount of depreciation allowable to him under the Income Tax Act, 1961 for the financial year 2024-25 assuming the rate of depreciation to be 40%?
- ₹ 20,000
  - ₹ 16,000
  - ₹ 7,200
  - ₹ 2,880
- (vi) Quoting 'Permanent Account Number' (PAN) is compulsory in the following transaction:
- Payment to LIP exceeding ₹50,000 in a financial year
  - Sale or purchase of any immovable property valued at ₹4,00,000
  - Time deposit up to ₹35,000 with a bank
  - None of the above
- (vii) In pre-GST regime, excise duty has been levied by ..... Government whereas VAT has been levied by ..... Government on goods.
- State, Central
  - Central, Central
  - Central, State
  - State, State
- (viii) M/s V Bazar, a store located and registered under GST in Haryana, has come out with big discount offers at the time of Diwali on various gift items. In order to attract more customers, it has decided to supply a gift pack containing 5 packets of sugar free biscuits (580 gram each) taxable @12%, 1 packet of roasted Nuts (200 gram) taxable @18%, 1 packet of chocolate (50 gram) taxable @28% and 1 bottle of mango juice (1 litre) taxable @18% in a single basket for a single price of ₹3,750. State the type of supply and the tax rate applicable on the same.
- Composite supply: Tax rate of the principal item, i.e. sugar free biscuits @18%
  - Composite supply; highest tax rate out of all items, i.e. 28% applicable to chocolate
  - Mixed supply; highest tax rate out of all items, i.e. 28% applicable to chocolate
  - Mixed supply: tax rate of principal item, i.e. sugar free biscuits @18%
- (ix) Mr. Tushar, an air travel agent, who wants to discharge his tax liability at special rates as per rule 32(3) of CGST Rules, 2017. How his value of service of booking of tickets for air travel be determined?
- 5% of basic fare on both domestic and international air travel
  - 10% of basic fare on both domestic and international air travel
  - 5% of basic fare on domestic air travel and 10% of basic fare on international air travel
  - 10% of basic fare on domestic air travel and 5% of basic fare on international air travel



DIRECT AND INDIRECT TAXATION

- (x) The time of supply of goods, where supplier is liable to pay tax under forward charge shall be:
- The date of actual issue of invoice by the supplier
  - The last date on which he is required u/s 31(1) to issue the invoice with respect to the supply
  - The date on which the supplier receives the payment with respect to the supply
  - (a) or (b), whichever is earlier
- (xi) If the goods are received in instalment, then ITC can be availed:
- Proportionately on receipt of each instalment
  - 100% ITC can be taken on receipt of first instalment
  - ITC can be taken on receipt of last instalment
  - 50% ITC can be taken on receipt of first instalment and balance 50% on receipt of last Instalment
- (xii) Within how many days a person should apply for registration under GST, apart from provisions of voluntary registration?
- Within 60 days from the date, he becomes liable for registration
  - Within 30 days from the date, he becomes liable for registration
  - No time limit
  - Within 90 days from the date, he becomes liable for registration
- (xiii) The First return shall be filed by every registered taxable person for the period from \_\_\_\_.
- The date on which he became liable for registration till the date of grant of registration
  - The date of registration to the last day of that month
  - The date on which he became liable for registration till the last day of that month
  - All of the above
- (xiv) The limit of exclusive economic zone of India is \_\_\_\_ from the nearest point of the baseline.
- 200 nautical miles
  - 12 nautical miles
  - 24 nautical miles
  - None of the above
- (xv) The Safeguard duty imposed shall be in force for a period of \_\_\_\_ from the date of its imposition and can be extended with the total period of levy not exceeding \_\_\_\_.
- 4 years, 10 years
  - 3 years, 5 years
  - 5 years, 5 years
  - None of the above



## Section – B

(Answer any five questions out of seven questions given. Each question carries 14 Marks)

[5 x 14 = 70]

2. (a) Mr. X, aged 19 years, left India for first time on May 31, 2024. Examine his residential status for the previous year 2024-25 if:

(i) He left India for employment purpose

(ii) He left India on the world tour.

[7]

- (b) Sonam, has been provided a car (1.7 ltr.) by his employer Vikash Ltd. The cost of car to the employer was ₹3,50,000 and maintenance cost incurred by the employer ₹ 30,000 p.a. Chauffeur salary paid by the employer ₹3,000 p.m. Calculate the value of perquisite for Sonam for the A.Y.2025-26, if the car is used for:

I) Office purpose. II) Personal purpose. III) Both purposes.

In case (II) and (III), employee is being charged ₹15,000 p.a. for such facility.

[7]

3. (a) Compute the gross annual value in respect of the following properties:

Particulars	H1	H2
Value determined by the Municipality for determining Municipal tax (₹ in Lakh)	500	800
Rent of the similar property in the same locality (₹ in Lakh)	400	900
Rent determined by the Rent Control Act (₹ in Lakh)	700	720
Actual rent receivable (₹ in Lakh)	350	540
Unrealised rent of the previous year 2024-25 (₹ in Lakh)	10	Nil
Period when the property remains vacant (in number of months)	5	3

[7]

- (b) Important Ltd. is a power-generating unit. On 1-4-2022, it purchased a plant of ₹ 50,00,000 eligible for depreciation @ 15% on SLM. Compute balancing charge or terminal depreciation assuming the plant is sold on 21/4/2024 for:

i) ₹ 7,50,000 ii) ₹ 30,00,000 iii) ₹ 45,00,000 iv) ₹ 55,00,000

[7]

- 4.(a) ABC & Co. has three partners A, B and C sharing profit or loss in the ratio 5:3:2. They admitted D as a new partner on 31/03/2024 for 1/5th share and D is to bring ₹ 2,00,000 as his capital which he brought in form of furniture (earlier used in his home) ₹ 50,000 immediately & further brought jewellery of which fair market value is ₹ 2,00,000 on 2/08/2024 (however such assets was recorded in the books at ₹ 1,80,000). D had acquired such jewellery for ₹ 45,000 on 7/07/2001. Compute capital gain in the hands of Mr. D.

[7]



## DIRECT AND INDIRECT TAXATION

(b) Mr. JJ received the following gifts/amounts during F.Y. 2024-25

- (i) Gift of bullion worth ₹68,000/- on his birthday from his friend
- (ii) Received a car from his cousin on payment of 2,00,000/-. FMV of which was ₹5,00,000/-
- (iii) Received cash gift of ₹25,000/- each from three of his friends Ram, Gobind and Shyam on 23.08.2024
- (iv) Acquired an office building on 22.11.2024 from his friend Q for a consideration of ₹15 Lakhs, stamp value of which is ₹25 Lakhs.

Compute his income from other sources for the assessment year 2025-26.

[7]

5. (a) Examine, with reference to the provisions relating to set-off and carry forward of losses under the Income Tax Act, 1961, the treatment of the following incomes of Mr. Bhola (who has opted for the old tax regime):

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

[7]

(b) Anil (aged 67 years) is an employee of a Government organisation at Burdwan. During the year ending 31.3.2025, he received the following income from his employer:

	₹
Salary	20,000 p.m.
Dearness allowance	4,000 p.m.
Entertainment allowance	6,500 p.m.
Annual bonus	20,000

Rent-free unfurnished accommodation of which licence fee is ₹ 30,000 whereas fair rental value is ₹ 1,00,000.

Compute his taxable income and tax liability, under the old tax regime, for the assessment year 2025-26 on the basis of the following further information:

- i. His own contribution to a Provident Fund is ₹ 30,000 and his employer's contributed the same amount.
- ii. He pays life insurance premium ₹ 30,000 p.a.

[7]

6. (a) Explain the concept of Indirect Tax? What are the features of indirect Tax?

[7]

(b) Write a short note (meaning, function, salient features) on GST Network (GSTN).

[7]

**INTERMEDIATE EXAMINATION****SET 1****MODEL QUESTION PAPER****TERM – DECEMBER 2025****PAPER – 7****SYLLABUS 2022****DIRECT AND INDIRECT TAXATION**

7. (a) Mr. Ritesh of Assam, provides the following information for the preceding financial year 2023-24. You are required to calculate the aggregate turnover for the purpose of eligibility of composition levy scheme and determine whether he is eligible for composition levy scheme or not, for the F.Y. 2024-25.

Particulars	₹ in lakh
Value of taxable outward supplies (out of above, ₹ 10 lakh was in course of inter-state transactions)	75.00
Value of exempt supplies (which include ₹ 30 lakh received as interest on loans & advances)	70.00
Value of inward supplies on which he is liable to pay tax under reverse charge	15.00
Value of exports	7.00

All the amounts are exclusive of GST. Further, he assured that in F.Y. 2023-24, no inter-State supply will be executed by him. [7]

- (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, 2024.

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, 2024. [7]

8. (a) Compute the Input tax credit available with MS Motors Ltd., manufacturer of cars, in respect of the following services availed by it in the month of October, 2024:

Sl. No.	Particulars	Amount ₹
1.	Accounting and Auditing Services	17,200
2.	Health insurance services for employees (Services are not provided under Government obligation)	6,200
3.	Routine maintenance of the cars manufactured by MS Motors Ltd.	28,000
4.	Repair services for office building (Cost of repairs is charged to Profit & loss Account)	28,400
5.	Hotel accommodation and conveyance facility to employees on vacation	13,360
6.	Testing services availed for car engines	19,000

[7]

**INTERMEDIATE EXAMINATION****SET 1****MODEL QUESTION PAPER****TERM – DECEMBER 2025****PAPER – 7****SYLLABUS 2022****DIRECT AND INDIRECT TAXATION**

- (b) Malya Internationals Ltd., has imported a machinery by air from Germany. Bill of Entry is presented on 20.01.2025.

However, entry inwards are granted on 25.01.2025. Relevant information of the transaction is provided hereunder:

CIF Value of Machine	5,500 USD
Air Freight Paid	1250 USD
Insurance Charges Paid	100 USD
Rate of Exchange on 20.01.2025	As per RBI 1 USD = ₹ 85.50 As per CBIC 1 USD = ₹ 86
Rate of Exchange on 25.01.2025	As per RBI 1 USD = ₹ 86.50 As per CBIC 1 USD = ₹ 87
Basic Customs Duty Rate	10%
IGST Rate	18%

Calculate the assessable value in INR for the purposes of levy of customs duty as well as total customs duty.

[7]