

Time Allowed: 3 Hour

Full Marks:100

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

SECTION – A (Compulsory)

I. Choose the correct option:

[15 x 2 = 30]

- i. In case of an individual or HUF, agricultural income is
 - a) Exempted
 - b) Exempted but included in the total income for the rate purpose
 - c) Fully taxable provided it is earned from India
 - d) Taxable at flat rate of 10%
- ii. Any payment received from an account opened under Sukanya Samriddhi Account Rules, 2014 is __.
 - a) Exempt
 - b) Taxable
 - c) Not Taxable
 - d) None of these
- iii. Which of the following deductions is /are not allowed in case of a deemed to be let-out house?
 - a) New construction allowance
 - b) Repairs
 - c) Vacancy allowance
 - d) All of the above
- iv. Personal effect does not cover the followings:
 - a) Immovable property
 - b) Drawings
 - c) Jewellery
 - d) All of the above
- v. The preliminary expenses that can be amortized under the Income Tax Act, 1961 has to be restricted to--- of the cost of project.
 - a) 3%
 - b) 5%
 - c) 8%
 - d) 20%
- vi. Maximum limit for deduction u/s 80TTA is:
 - a) ₹50,000
 - b) ₹10,000

DIRECT AND INDIRECT TAXATION

c) ₹40,000

d) ₹25,000

vii. Cascading effect of tax means:

a) Tax on Goods

b) Tax on services

c) Tax on Tax

d) None of the above

viii. Services by way of _____ to single residential unit is exempted-

a) Pure Labour Contract

b) Works Contract

c) Both (a) & (b)

d) Either (a) or (b)

ix. The value of supply of goods and services shall be-

a) Transaction Value

b) MRP

c) Market Value

d) None of the above

x. Date of receipt of the payment means:

a) Date of entry in the books

b) Date of payment credited into bank account

c) Earlier of (a) or (b)

d) Date of filling of return

xi. To claim ITC on capital goods is it mandatory to capitalize the capital goods in the books of accounts-

a) Yes

b) No

c) Optional

d) None of the above

xii. When can a voluntarily registration be cancelled?

a) If the person does not start the business within six months from the date of registration

b) Business has been discontinued

c) Non-filing of return for the continuous period of six months

d) All of the above

xiii. All liabilities of taxable person under this Act shall be recorded and maintained in an ____

a) Electronic Cash Register

b) Electronic Credit Register

c) Electronic Liability Register

d) Electronic Register

DIRECT AND INDIRECT TAXATION

- xiv. The limit of exclusive economic zone of India is _____ from the nearest point of the baseline
- 200 neautical miles
 - 12 neautical miles
 - 24 neautical 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) X came to India for first time on July 24, 2020. From July 24, 2020 to December 25, 2021, he was in India. Again, he came to India on August 5, 2024 for employment purpose & left India on November 25, 2024 permanently. Compute his residential status for the previous year 2024-25 assuming -

(i) He is a foreign citizen (ii) He is an Indian citizen

[7]

- (b) Miss Sonal, being a citizen of India and a Government employee has the following salary details:

(Amount in ₹)

Basic Salary	52,000 p.m.
Dearness Allowance	23,000 p.m.
Dearness Pay	1,000 p.m.
Fees	50,000 p.a.
House Rent Allowance	15,000 p.m. (Rent paid for Kolkata house ₹ 20,000 p.m.)
Children Education allowance	3,000 p.m. (She is having one adopted child)
Children allowance	1,000 p.m.
Hostel allowance	2,000 p.m.
Dress Allowance	5,000 p.m. (Actual expenditure ₹ 10,000 p.m.)
Uniform Allowance	2,000 p.m. (Actual expenditure ₹ 1,000 p.m.)
Tiffin Allowance	1,000 p.m.
Education Allowance for her own education	2,000 p.m. (Actual expenditure ₹ 1,500 p.m.)

Compute the amount of her gross salary for the assessment year 2025-26, assuming she has opted for old regime.

[7]

DIRECT AND INDIRECT TAXATION

3.(a) Compute net annual value with the following details for the A.Y. 2025-26:

Particulars	H1	H2	H3	H4	H5	H6
Situated at	Patna	Anand	Hyderabad	Balurghat	Jodhpur	Etawa
Municipal Value	₹ 1,00,000	₹ 2,00,000	₹ 3,00,000	₹ 4,00,000	₹ 4,25,000	₹ 6,00,000
Gross Annual Value	₹ 1,00,000	₹ 2,50,000	₹ 1,80,000	₹ 5,00,000	₹ 8,00,000	₹ 5,00,000
Municipal tax for P.Y.	₹ 5,000	10%	5%	20%	12%	10%
Sewerage tax	-	5%	₹ 1,000	3%	₹ 3,750	₹ 1,000
Water Tax	-	3%	5%	2%	5%	-

Additional information:

- In case of H3, municipal tax paid for the financial year 2000-01 to 2023-24 is ₹ 2,00,000.
- In case of H4, municipal tax paid for the financial year 2025-26 is ₹ 3,000.
- In case of H6, all taxes charged by municipality are paid to the extent of 80% (50% by owner and 30% by tenant).

[7]

(b) From the following particulars, compute admissible depreciation and capital gain/loss for the previous year relevant to the assessment year 2025-26:

Written down value of Building A & B as on 1-4-2024 (Depreciation rate 10%)	₹ 2,50,000
Cost of Building C purchased on November 15, 2024 (Depreciation rate 10%)	₹ 3,00,000

- If all the buildings (A, B & C) are sold for ₹ 6,00,000.
- If Buildings (A & B) are sold for ₹ 5,00,000
- If Building (A) is sold for ₹ 50,000.

[7]

4. (a) On 15th November, 2024, Ishita sold a flat for ₹ 58,50,000. She acquired the flat on 11-12-2012 for ₹ 36,00,000. Expenses on sale of flat amounted to ₹ 50,000. She purchased a residential house on 25.01.2025 for ₹ 20,00,000.

Compute the amount of taxable capital gain and tax thereon before surcharge and cess for the assessment year 2025-26 assuming her other income exceed basic exemption limit.

[7]

(b) The following details have been furnished by Mrs. Jaya, pertaining to the year ended 31-3-2025:

- Cash gift of ₹ 51,000 received from her friend on the occasion of her 25th wedding anniversary.
On the above occasion, a diamond necklace worth ₹ 2 lacs were presented by her sister living in Dubai.
- When she celebrated her daughter's wedding on 21-2-2025, her friend assigned in Mrs. Jaya's favour, a fixed deposit held by the said friend in a scheduled bank; the value of the fixed deposit and the accrued interest on the said date was ₹ 51,000.

DIRECT AND INDIRECT TAXATION

- (iii) She acquired an immovable property through will of her deceased uncle. The value of said property is ₹ 35,00,000.

Compute her income from other sources.

[7]

5. (a) Compute Gross Total Income of Mrs. Shikha from following details for the A.Y. 2025-26.

Particulars	₹
Income from house property A	60,000
Income from house property B	(1,50,000)
Income from house property C	1,00,000
Income from other sources	1,00,000
Losses u/s 22 for the A.Y. 2024-25	(30,000)
Losses u/s 56 for the A.Y. 2024-25	(45,000)

[7]

- (b) Mrs. Ria (age 46 years), a professor in a college furnishes the following particulars of her income for the previous year 2024–25:

Particulars	₹
a. Income from salary	3,51,000
b. Income from House Property	
i. Rent Received	24,000
ii. Municipal Tax	2,000
c. Income from other sources	
iii. Bank interest on fixed deposit	12,000
iv. Dividend from Indian Company	10,000
v. Examiner's remuneration from Calcutta University	5,700
c. Deposited in P.P.F.	40,000
d. Own Contribution to R.P.F.	12,000
e. Paid premium on insurance on own health	16,000
f. Donated ₹10,000 to National Relief Fund and ₹15,000 to a trust registered u/s 80G (5)	

From the above information, Compute Total Income and tax liability (under the old tax regime) of Mrs. Ria for the assessment year 2025–26, if she has opted for old tax regime.

[7]

6. (a) Discuss the difference between direct and indirect tax?

[7]

- (b) Discuss a short note with an example on

- Composite supply
- Mixed supply

[7]

7. (a) Arjya is running a consulting firm and also a fancy store in the State of Karnataka and registered under the same PAN number. Turnover of the fancy store is ₹65,00,000 and receipt of consultancy firm is ₹10,00,000 in the preceding financial year.

DIRECT AND INDIRECT TAXATION

You are required to discuss with the reason of following questions:

- (i) Is Arjya eligible for composition scheme under CGST Act?
- (ii) Whether it is possible for Arjya to opt composition scheme only for fancy store?
- (iii) If Arjya is running a restaurant with turnover of ₹65,00,000 instead of consultancy firm as well as a fancy store, would he be eligible for composition scheme? [7]

(b) On the basis of following information, you are requested to compute value of taxable supply:

Particulars	₹
Advertisement through hoardings	1,00,000
Performances as folk-dance artist	80,000
Hotel room @ ₹ 2,500/- per room	1,50,000
Rent received for residential dwelling use as residence per month	20,000
Received from outdoor catering service	1,50,000
Received by a professional training centre	1,80,000
Received from service by way of transportation of passengers by inland waterways	50,000

[7]

8. (a) From the following information, compute the Net GST payable for the month of March, 2024:

	Output GST	Opening ITC as per credit ledger
CGST	2,000	Nil
SGST	15,000	1,000
IGST	24,000	37,000

[7]

(b) Compute the Assessable Value of a machine imported from Germany by RLI Ltd., under Customs Act, 1962. Also calculate the duty liability of RLI Ltd.

Particulars	USD\$
FOB Value	30,000
Air Freight Paid	7,250
Insurance Cost	Not Known
Designing Charges incurred in India	₹ 15,000
Indian Agent's Commission	₹ 20,000
Transport Charges from port to factory in India	₹ 15,000
Rate of duty	10%
IGST	18%
Rate of exchange notified by CBEC	₹ 85 per USD

[7]