

# **CMA Final - Direct Tax Laws and International Taxation**

## **Deep Past Year Paper Analysis (Important Chapters + Repeated Topics + Expected Questions)**

After analyzing the recent CMA Final Direct Tax Laws and International Taxation papers carefully, there are very clear examiner patterns. The paper is highly repetitive in **concept clusters**, even when language changes.

The examiner mainly rotates:

- repeated numericals
- theory rotation patterns
- chapter weightage consistency
- hidden examiner behavior
- MCQ concentration areas
- practical question repetition

The pattern in Direct Tax Laws and International Taxation is highly predictable.

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## **Priority-wise Chapter Analysis (Most Important First)**

### **Tier 1 – Must Prepare (Appearing Repeatedly in Almost Every Paper)**

#### **1. Corporate Taxation / Business Income**

Weightage: 14–20 marks every attempt

Repeated Areas:

- Computation of Total Income of Company
- Disallowances under Section 37
- Section 40(a), 40A
- MSME payments
- PF/ESI disallowance
- Bonus and commission
- TDS related disallowance
- Political donations

- Depreciation adjustments
- Additional depreciation

Appeared:

- Dec 2024 Q2
- June 2025 Company computation
- Dec 2025 Trust/company computation

### **Future Expected Questions**

- Comprehensive company income computation
- MSME disallowance u/s 43B(h)
- TDS default disallowance
- Additional depreciation on imported machinery

**Priority: 10/10**

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## **2. International Taxation & Transfer Pricing**

Weightage: 10–20 marks every attempt

Repeated Areas:

- ALP determination
- Transfer Pricing Officer powers
- Secondary adjustment
- APA
- Documentation
- Accountant report
- Penalties
- Methods of ALP

Appeared:

Dec 2024:

- TPO powers
- Secondary adjustment
- TP order binding nature
- Accountant report penalty

June 2025:

- Secondary adjustment
- International transaction questions
- AE related MCQs

Dec 2025:

- Most appropriate method
- TP adjustment questions
- AE transactions

### **Future Expected Questions**

- FAR analysis
- Secondary adjustment
- APA vs Safe Harbour
- Specified Domestic Transactions
- Penalties under TP

**Priority: 10/10**

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### **3. MAT / Special Tax Regime / 115BAA / 115BAB**

Repeated in all papers

Appeared:

- Dec 2024 MCQ on 115BA
- Dec 2024 Company opting 115BAA
- Dec 2025 Company tax regime comparison
- June 2025 regime-based questions

### **Future Questions**

- Compare Normal Tax vs 115BAA
- MAT applicability
- Effective tax rate computation

**Priority: 9.5/10**

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### **4. Assessment, Appeals and Rectification**

Repeated every attempt

Appeared:

- Rectification time limit
- 143(1)
- 143(2)
- 143(3)
- Appeal filing limits
- Department appeal thresholds

### **Future Questions**

- Time limits chart
- Appeal hierarchy
- Rectification and revision

**Priority: 9/10**

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## **Tier 2 – Very Important**

### **5. Capital Gains**

Repeated Areas:

- Exemptions
- Residential house
- Shares
- Foreign assets
- Indexation

Appeared:

- Dec 2025 residential property and shares
- June 2025 computation
- Dec 2024 LLP conversion related capital gains

### **Future Questions**

- 54, 54F
- LLP conversion
- Slump sale
- Capital gain computation

**Priority: 9/10**

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## **6. Charitable Trusts & Exempt Entities**

Huge trend in 2025 papers.

Appeared:

- June 2025 Trust taxation
- Dec 2025 Hospital trust case

### **Future Questions**

- Section 11
- Section 12A
- Application of income
- Accumulation
- Violation consequences

**Priority: 8.5/10**

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## **7. Residential Status & Scope of Total Income**

Appeared repeatedly through MCQs.

Topics:

- Resident
- Non-resident
- RNOR
- Foreign income
- Foreign assets

### **Future Questions**

- Residential status computation
- Foreign asset disclosure
- Black Money Act implications

**Priority: 8.5/10**

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## **8. TDS/TCS**

Repeated every paper.

Areas:

- Salary
- Rent
- Sportsman payments
- Non-residents
- TDS defaults

Appeared:

- Dec 2024
- June 2025
- Dec 2025

### **Future Questions**

- TDS rates
- Consequences of default
- TDS on benefits/perquisites
- TDS on non-residents

**Priority: 8.5/10**

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## **Tier 3 – Important**

### **9. Penalties and Prosecution**

Repeated Areas:

- 270A
- Misreporting
- TP penalties
- Accountant report penalty

Appeared:

- Dec 2024
- Dec 2025
- June 2025

**Priority: 8/10**

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## **10. Presumptive Taxation**

Appeared through foreign company and business computation questions.

Future:

- 44AD
- 44ADA
- 44AE
- 44BBB

**Priority: 7.5/10**

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## **11. LLP Conversion**

Appeared:

- Dec 2024

High probability because CMA likes practical case studies.

Focus:

- Section 47(xiiib)
- Carry forward losses
- Conditions

**Priority: 7.5/10**

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## **12. Black Money Act**

Appeared:

- Dec 2024 MCQ
- Dec 2025 foreign asset question

**Priority: 7/10**

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# International Tax Chapters Most Repeated

Chapter	Frequency
Transfer Pricing	Very High
ALP Methods	Very High
Secondary Adjustment	Very High
DTAA Models	High
OECD vs UN Model	High
PE Concept	High
Foreign Company Taxation	High
Equalisation Levy	Moderate
APA	Moderate
Safe Harbour	Moderate

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## Hidden Pattern Found

The Institute is not changing chapters; it is changing the facts.

Examples:

### Secondary Adjustment

- Dec 2024 → Numerical
- June 2025 → Rate of additional tax
- Dec 2025 → Conceptual + practical

### 115BAA

- Dec 2024 → Comparison question
- June 2025 → MCQ
- Dec 2025 → Advisory case study

### Transfer Pricing

- Dec 2024 → TPO powers
- June 2025 → AE questions
- Dec 2025 → ALP method selection

This means these topics are almost certain to be tested again.

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# Predicted Exam Questions (Most Likely Next Attempt)

## Prediction 1

Compute total income of a domestic company after considering:

- MSME disallowance
- PF/ESI
- Bonus
- Political contribution
- Depreciation

Probability: ★★★★★

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## Prediction 2

Transfer Pricing case:

- FAR analysis
- ALP determination
- Secondary adjustment

Probability: ★★★★★

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## Prediction 3

Advise company whether to opt for:

- Normal provisions
- 115BAA
- 115BAB

Probability: ★★★★★

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## Prediction 4

Capital gains with:

- 54
- 54F
- Indexation
- Residential house

Probability: ★★★★★☆

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## **Prediction 5**

Charitable trust income computation

Probability: ★★★★★☆

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## **Prediction 6**

DTAA and Foreign Tax Credit case study

Probability: ★★★★★☆