Mock Test Paper - Series II: April, 2026

Date of Paper: 6th April, 2026

Time of Paper: 10 A.M. to 1 P.M.

INTERMEDIATE COURSE: GROUP - I

PAPER – 3: TAXATION

Time Allowed – 3 Hours **Maximum Marks – 100**

SECTION – A: INCOME TAX LAW (50 MARKS)

Working Notes should form part of the answer. Wherever necessary, suitable assumptions may be made by the candidates and disclosed by way of a note. However, in answers to Questions in Division A, working notes are not required.

The relevant assessment year is A.Y.2026-27.

Division A – Multiple Choice Questions

Write the most appropriate answer to each of the following multiple choice questions by choosing one of the four options given. All questions are compulsory.

1. Mr. Saksham (aged 50 years) is a CEO of XYZ Enterprises (P) Ltd. During the P.Y.2025-26, he has earned the following income -

   - salary of ₹ 45 lakhs
   - long-term capital gain on sale of listed equity shares (STT paid) amounting to ₹ 6,54,000
   - dividend of ₹ 12,00,000 (gross) from shares of Indian companies
   - interest on saving bank account with SBI of ₹ 16,000
   - interest on fixed deposits with BOB of ₹ 45,000

   Mr. Saksham has made the following payments towards medical insurance premium for health policies taken for his family members:

   - Medical premium for his spouse aged 47 years: ₹ 13,500 (by cheque)
   - Medical premium for his mother aged 70 years: ₹ 26,670 (by cheque)
   - Preventive health check-up of ₹ 5,500 each for his wife and mother in cash.

   Mr. Saksham also incurred medical expenses, by credit card, of ₹ 17,000 for the treatment of his mother and of ₹ 27,000 for his father who is 73 years old.

   He has multiple life insurance policies. The details of such policies are given hereunder:

Particulars	X	Y	Z	A	B (Term insurance policy)
Date of issue	1.4.2017	1.4.2023	1.4.2025	1.4.2024	1.3.2023
Annual premium	₹ 40,000	₹ 3,00,000	₹ 2,00,000	₹ 2,50,000	₹ 80,000
Date of maturity	31.3.2026	31.3.2032	31.3.2034	31.3.2033	28.3.2056
Consideration received on maturity (including bonus)	₹ 7,00,000	₹ 36,00,000	₹ 28,00,000	₹ 30,00,000	-
Sum assured	₹ 5,00,000	₹ 33,00,000	₹ 25,00,000	₹ 27,00,000	₹ 2,00,00,000

From the information given above, choose the most appropriate answer to the following questions –

(i) Which are the life insurance policies in respect of which Mr. Saksham would be eligible for exemption under section 10(10D) in respect of maturity proceeds? Choose the option which is most beneficial to Mr. Saksham.

(a) X, Y and Z

(b) X and Y

(c) X, Z and A

(d) Y and Z

(ii) What would be your answer to MCQ (i), if Mr. Saksham surrendered LIC A in A.Y. 2028-29 and claimed exemption under section 10(10D) in respect of such LIC? This information is only for the purpose of this MCQ.

(a) X, Y and Z

(b) X and Y

(c) X, Z and A

(d) Y and Z

(iii) What would be the amount of deduction available to Mr. Saksham under Chapter VI-A for the A.Y. 2026-27 if he has exercised the option to shift out of the default tax regime?

(a) ₹ 82,170

(b) ₹ 78,500

(c) ₹ 2,28,500

(d) ₹ 2,32,170

(iv) What is the total income of Mr. Saksham for A.Y. 2026-27 under optional tax regime.

(a) ₹ 61,32,830

(b) ₹ 62,86,500

(c) ₹ 64,36,500

(d) ₹ 61,36,500

(v) What is Mr. Saksham's tax liability for A.Y.2026-27 under the default tax regime under section 115BAC?

(a) ₹ 16,95,410

(b) ₹ 15,46,600

(c) ₹ 14,06,000

(d) ₹ 15,41,280

(vi) What is Mr. Saksham's tax liability for A.Y.2026-27 if he has exercised the option to shift out of the default tax regime?

(a) ₹ 17,42,740

(b) ₹ 15,84,310

(c) ₹ 18,45,700

(d) ₹ 17,94,220 **(6 x 2 = 12 Marks)**

2. Mr. Ramesh makes a gift of ₹ 25,000 to his wife, Mrs. Rani, on 27.03.2025. Mrs. Rani, on 1.4.2025, invests ₹ 1,00,000 (₹ 25,000 out of gift and ₹ 75,000 of her own) in a partnership firm as capital which is her total capital contribution in the firm. During the year ended 31.03.2026, she earns an interest of ₹ 15,000 and salary of ₹ 1,20,000 from the firm, both of which are approved by the partnership deed. What amount shall form part of total income of Mr. Ramesh for the previous year 2025-26?

(a) ₹ 3,000 as interest on capital from firm

(b) ₹ 3,750 as interest on capital from firm

(c) ₹ 3,000 as interest on capital from firm and ₹ 30,000 as salary from firm

(d) ₹ 3,750 as interest on capital from firm and ₹ 30,000 as salary from firm **(2 Marks)**

3. Mr. Pawan is engaged in the business of roasting and grinding coffee beans. During F.Y. 2025-26, his total income is ₹ 4.5 lakhs. Mr. Pawan filed his return of income for A.Y. 2026-27 on 3rd December, 2026. What shall be the fee payable for default in furnishing in return of income for A.Y. 2026-27?

(a) ₹ 5,000

(b) Not exceeding ₹ 1,000

(c) No fee is payable as tax on total income is Nil

(d) No fees payable as total income is below ₹ 5,00,000 **(1 Mark)**

Division B – Descriptive Questions

*Question No. **1** is compulsory*

*Attempt any **two** questions from the remaining **three** questions*

1. Mrs. Natasha, a resident individual aged 54 years, is carrying on business of manufacturing of textile fabrics, as a proprietor. The turnover in the previous year 2024-25 was ₹ 250 lakhs and in the current previous year 2025-26, it is ₹ 600 lakhs. The net profit as per the profit and loss account as on 31-03-2026 is ₹ 15,61,000 after debiting/ crediting the following items.

(i) Received subsidy of 20% on new machine purchased on 03.07.2025 during the previous year under technology upgradation fund Scheme from the Central Government.

(ii) She paid a job charges for the value addition on the fabrics of ₹ 90,000 without deduction of tax to job worker by an account payee cheque.

(iii) ₹ 25,000 paid to creditor for goods in cash.

(iv) Interest amounting ₹ 2,00,000, duly authorised by partnership deed of M/s Ramji textiles @ 15% p.a. on the capital employed. She is sleeping partner in the Ramji textiles.

Additional Information

(a) Depreciation has not been debited to profit and loss account. The details of the plant & machinery employed in the business are given as under:

Date	Particulars	Amount (₹)
1.4.2025	Opening written down value of machinery used for manufacturing purpose	4,75,000

3.7.2025	New machinery purchased during the year, payment made by an account pay cheque.	7,25,000
10.3.2026	Sold one of the old machineries	75,000

She does not have any other fixed assets employed in the business.

(b) Incurred loss of ₹ 1,17,500 from an eligible transaction carried out in respect of trading in derivatives in a recognised stock exchange.

(c) Commission paid to one agent allowed as deduction in earlier assessment year amounting ₹ 50,000, has now been received back during previous year 2025-26, from the agent due to settlement with commission agent.

(d) She received a gold coin (bullion) worth ₹ 55,000 (FMV) from her cousin (daughter of uncle) during the previous year 2025-26.

(e) She deposited a sum of ₹ 50,000 with life insurance Corporation of India every year for the maintenance of her mother aged 70 years depended upon him and suffering from severe disability.

(f) She also sold her vacant land on 01.12.2025 for ₹ 15,25,000. The land was purchased in May 2013 and the cost of acquisition of such land was ₹ 4.8 lakhs.

The CII for the F.Y. 2025-26 and 2013-14 are 376 and 220, respectively.

You are required to compute the total income and tax liability of Mrs. Natasha for the assessment year 2026-27 under both the regimes. Give brief note wherever necessary.

(15 Marks)

2. (a) Mrs. Reshma, an Indian Citizen, is a government employee working for the Indian Government. She submits the following information for the previous year ending 31.03.2026:

		₹
1	Salary income received in Malaysia for services rendered there	2,00,000
2	Profit from business carried on in Orissa	80,000
3	Profit from business carried on in Paris (income is earned and received in Sydney and business is controlled from Paris)	42,000
4	Loss from business carried on in Canada (though profits are not received in India, business is controlled from Dehradun)	(46,000)

5	Unabsorbed depreciation of business in Canada	16,000
6	Profit from Indonesia business (controlled form Delhi) and 60% of profit deposited in a bank in Indonesia and 40% received in India	70,000

Determine the gross total income of Reshma for the A.Y. 2026-27 ignoring the provisions of section 115BAC on the assumption that she is:

(1) Resident but not ordinarily resident in India

(2) Non-resident in India. **(6 Marks)**

(b) Discuss the liability of tax deduction at source under the Income-tax Act, 1961 in respect of the following cases with reference to A.Y. 2026-27. (State applicable provision and give brief reasons for your answer, wherever applicable)

(i) Manoj, a part time director of ABC Pvt. Ltd. was paid an amount of ₹ 2,49,000 as commission on sales (which was not in the nature of Salary) for the period 01.04.2025 to 31.03.2026. **(1 Mark)**

(ii) Mr. Aggarwal, a resident senior citizen, aged 86 years, is a retired State Govt. employee. He gets pension of ₹ 72,000 p.m. He has his saving account with Bank of Baroda, a bank notified by the Central Govt. u/s 194P. He has received the interest on saving account of ₹ 15,000 during the P.Y. 2025-26. His pension is also credited in this account. In the same bank he has deposited ₹ 10 lakhs in a 5 years Term Deposit @7% simple interest on 01.07.2025. He has no other income. He has opted out of the default tax regime. **(3 Marks)**

3. (a) Mr. Aditya owns a residential house property whose Municipal Value, Fair Rent and Standard Rent are ₹ 1,60,000, ₹ 1,70,000 and ₹ 1,90,000, respectively. The house has two independent units. Unit I (25% of floor area) is utilized for the purpose of his profession and Unit II (75% of floor area) is let out for residential purposes at a monthly rent of ₹ 8,500. Municipal taxes @8% of the Municipal Value were paid during the year by Mr. Aditya. He made the following payments in respect of the house property during the previous year 2025-26:

Light and Water charges	₹ 2,000
Repairs	₹ 1,45,000
Interest on loan taken for the repair of property	₹ 36,000

Mr. Aditya has taken a loan of ₹ 5,00,000 in July, 2020 for the construction of the above house property. Construction was completed on 30th June, 2023. He

paid interest on loan @12% per annum. No repayment of loan has been made so far.

Income of Mr. Aditya from his profession amounted to ₹ 8,00,000 during the year (without debiting house rent and other incidental expenditure including admissible depreciation of ₹ 8,000 on the portion of house used for profession).

Determine the Gross total income of Mr. Aditya for the A.Y. 2026-27 ignoring the provisions of section 115BAC. **(6 Marks)**

(b) Mr. Arjun, a resident individual aged 58 years, sells (unlisted) shares in a private company on May 17, 2025 for ₹ 10,00,000. The shares were bought on 01.08.2012 for a consideration of ₹ 2,00,000. Mr Arjun paid ₹ 2,000 as brokerage on sale of shares.

Mr. Arjun deposited ₹ 5,00,000 in Capital Gain Account Scheme on 15.06.2026 (Before filing the return of income for the Assessment Year 2026-27).

On April 30, 2027, he withdraws ₹ 4,50,000 and purchases a residential house properly at Delhi on May 1, 2027 for ₹ 4,50,000.

Cost Inflation Index (CII) – F.Y. 2012-13 - 200, F.Y. 2025-26 - 376.

Ascertain –

(i) The amount of Capital Gain chargeable to tax for the A.Y. 2026-27.

(ii) Tax treatment (with mention of relevant assessment year) of the unutilized amount. **(4 Marks)**

4. (a) Kiran, a resident aged 50 years, furnishes the following information for the year ended on 31-03-2026:

Particulars	Amount (₹)
Salary (Gross)	2,75,000
Income from let out house property	(2,85,000)
Interest on loan paid for self-occupied house property	1,20,000
Income from sale of rubber products from rubber plants	2,00,000
Business income - Retail business	1,20,000
Business income - wholesale business	(1,00,000)
Brought forward business loss (A.Y. 2023-24)	(1,35,000)
Dividend received from ABC Ltd., an Indian company carrying on agricultural operations	13,500 (Net)

Long term capital gain from sale of listed equity shares (STT paid on sale and purchase of shares)	2,00,000
Short-term capital gains on sale of shares	(1,10,000)
Lottery winnings (gross)	45,000
Contribution to provident fund and NSC	1,50,000
Income of minor son Raju from special talent	1,50,000
Interest from Bank received by Raju on deposit made out of his special talent	10,000

Compute Kiran's total income under the default tax regime under section 115BAC for the A.Y. 2026-27 assuming Kiran's income is higher than of her husband. **(6 Marks)**

(b) (i) Awesome Ltd. filed its return of income for the A.Y. 2026-27, on 15th December 2026. On 2nd January 2027, the accountant of Awesome Ltd. realised that he had forgotten to claim a genuine business expenditure amounting to ₹ 15 lakhs. He wants to file revised return to claim such expenditure as the assessment is not yet completed. Whether the action of the accountant of Awesome Ltd. is valid?

(ii) Mahesh, a resident individual aged 45 years earned a salary income of ₹ 2 crores during the F.Y. 2025-26. He also earned dividend from unlisted shares amounting to ₹ 4 lakhs. He wants to file his return of income for the A.Y. 2026-27 through a Tax Return Preparer. Can he do so?

(4 Marks)

OR

(b) Specify all the documents in which quoting of Aadhaar Number is mandatory u/s 139AA of the Income-tax Act, 1961. Also explain to whom provisions of section 139AA does not apply. **(4 Marks)**

SECTION B – GOODS AND SERVICES TAX (50 MARKS)

QUESTIONS

(i) Working Notes should form part of the answers. However, in answers to Questions in Division A, working notes are not required.

(ii) Wherever necessary, suitable assumptions may be made by the candidates, and disclosed by way of notes.

(iii) All questions in Section B should be answered on the basis of position of GST law as amended by Finance Act 2025 and significant notifications and circulars, which have become effective upto 31.10.2025.

Division A - Multiple Choice Questions (MCQs)

Write the most appropriate answer to each of the following multiple-choice questions by choosing one of the four options given. All questions are compulsory.

Total Marks: 15 Marks

Case Scenario 1

Mr. Venugopal of Kerala, unregistered under GST, is engaged in supplying cosmetic items within Kerala. In April, he ordered an I-phone for his son studying in Pune, Maharashtra, through an Electronic Commerce Operator. He gave his Kerala address for billing and his son's hostel address in Maharashtra for delivery. The supplier located in Delhi dispatched the phone from his godown located in Karnataka.

His aggregate turnover exceeded the applicable threshold limit of ₹ 40 lakh in the month of May.

He applied for registration under GST in the name of Venugopal & Co., a proprietorship concern and got registered in the State of Kerala in the month of May:

During the month of June:

(i) he supplied stock valued at ₹ 1,50,000 to an unregistered buyer in Kerala. Out of the said supply, stock valued at ₹ 50,000 was returned to Venugopal in the month of August.

(ii) he sold an agriculture land for ₹10,25,000.

(iii) Venugopal paid ₹ 10,000 towards rent to Local Municipal Corporation for the shop taken on rent at a Bus Terminal in Kerala.

(iv) he paid a rent of ₹ 20,000 for a residential house property taken on rent in Kerala. This property was used for his personal residence.

All the amounts given above are exclusive of tax, wherever applicable.

Applicable rates of GST for goods and services are 9%, 9% and 18% for CGST, SGST and IGST respectively. Subject to the information given above, conditions for availing ITC are complied with.

Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. 1 to 4 below carrying 2 marks each:

1. In respect of I-phone purchased by Mr. Venugopal in April, place of supply will be_____.

   (a) Kerala

   (b) Delhi

   (c) Karnataka

   (d) Maharashtra

2. Determine the value of outward supply of Mr. Venugopal for the month of June.

   (a) ₹ 1,60,000

   (b) ₹ 1,50,000

   (c) ₹ 1,70,000

   (d) ₹ 30,000

3. Amount of ITC that can be availed by Mr. Venugopal, for the month of June including RCM transactions if any, will be_____ each under CGST and SGST.

   (a) ₹ 3,600

   (b) ₹ 1,800

   (c) ₹ 900

   (d) ₹ 2,700

4. In relation to the goods returned in the month of August, Mr. Venugopal shall issue a _____ to claim the reduction of GST paid at the time of original supply.

   (a) Receipt Voucher

   (b) Bill of Supply

(c) Credit Note

(d) Debit Note

Case Scenario 2

Ganesh & Sons, a partnership firm registered under GST, is engaged in the sale of both taxable and exempt goods and services in Bhubaneswar, Odisha. On 20-03-2025, it entered into a contract of providing painting services to one of its client for his office. The value of the whole contract was pre-decided at ₹ 2,00,000. The due date to complete contract was estimated to be 20-04-2025. However, due to some dispute with the client, painting service was stopped abruptly on 31-03-2025. Only 60% of work was completed upto 31-03-2025.

Ganesh & Sons received a new order from Mr. Aseem of Kerala on 25-04-2025 for supply constituting both taxable and exempt goods. He sold goods amounting to ₹ 55,000 (excluding GST) out of which goods worth ₹ 10,000 were exempt. The value of exempt goods is separately mentioned in the invoice and both goods are independent to each other. Applicable rate of IGST was 18%. He issued a single invoice in respect of both taxable and exempt supply of goods.

The accountant of the firm advised the firm that the requirement of e-way bill is based on the requirement of consignment value of goods supplied.

Further, the firm took on rent, a new warehouse near its factory in Bhubhaneswar for storage and dispatch of goods. The goods are being transported between the factory and new warehouse in non-motorized cart. The value of such goods transported in single trip is up to ₹ 5 lakh. Further, the rent of warehouse is ₹ 18 lakh for the initial 11 months and the same shall be revised to ₹ 21 lakh after expiry of initial 11 months. Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. 5 to 7 below carrying 2 marks each:

5. The due date of issuance of invoice and the value of such invoice issued for work contract is:

   (a) 18-04-2025 and ₹ 2,00,000

   (b) 31-03-2025 and ₹ 2,00,000

   (c) 31-03-2025 and ₹ 1,20,000

   (d) 30-04-2025 and ₹ 1,20,000

6. Consignment value of goods supplied to Kerala to Mr. Aseem, in order to determine applicability of issue of e-way bill, is

   (a) ₹ 64,900

   (b) ₹ 55,000

   (c) ₹ 45,000

(d) ₹ 53,100

7. Which of the following statements is most appropriate in relation to the new warehouse taken on rent by the firm?

(a) Separate GST registration is not required mandatorily.

(b) Separate GST registration is required mandatorily.

(c) GST registration is required as a casual taxable person for the term of rent agreement.

(d) Separate GST registration is required once the rent is more than ₹ 20 lakh per annum.

8. Mr. Ramesh was a registered taxpayer under GST and was required to file returns under section 39(1). His GST registration was cancelled on 10th July, and the cancellation order was issued on 25th July. By when should Mr. Ramesh file the Final Return (GSTR-10)?

(a) 10th October

(b) 25th October

(c) 10th August

(d) 25th August **(1 Mark)**

Division B - Descriptive Questions

Question No. 1 is compulsory.

Attempt any two questions out of remaining three questions.

Total Marks:35 Marks

1. (a) BSM Private Limited, a registered person in Udaipur, Rajasthan engaged in various lines of business, provided the following details regarding the transactions undertook in the month of March:

Outward Transactions	**Amount (₹)**
Advance received from Mr. Shantanu for business support services to be supplied in the month of April	2,00,000
Provided commissioning services under pure labour contract to M/s Shubhmanglam Developers of Jaipur, Rajasthan for multistorey residential complex.	5,00,000
Stock transferred without consideration to its branch in Jodhpur, Rajasthan. Branch has same GSTIN.	1,25,000

<table>
<tr><td>Outward sale of goods to various unrelated persons:
<table><tr><th>Particulars</th><th>Market Value (₹)</th><th>Transaction Value (₹)</th></tr><tr><td>Intra-State</td><td>5,00,000</td><td>5,75,000</td></tr></table></td><td>As provided in the column</td></tr>
<tr><td>Inward Transactions</td><td>Amount (₹)</td></tr>
<tr><td>Received car rental services from Wheely Private Limited, an unregistered company in Udaipur engaged in car renting services. BSM Private Limited paid rent on monthly basis (Cost of fuel also included in the monthly rent). [Rate of CGST and SGST is 2.5% each]</td><td>1,20,000</td></tr>
<tr><td>Intra-State inward supply of various goods and services for use in the course or furtherance of business.</td><td>7,50,000 [Goods]
2,50,000 [Services]</td></tr>
</table>

Additional Information:

(i) The company paid ₹ 50,000 to Mr. Arun, an independent director, as sitting fees.

(ii) The company made donation of ₹ 4,50,000 to a local old age home (a trust not registered under GST) for setting a Water Cooler at old age home with the name of company embedded on the water cooler to express their support for the good cause.

(iii) All the amounts given above are exclusive of GST.

(iv) All inward and outward supplies are intra-State except where otherwise stated.

(v) Subject to information given above, all the conditions necessary for availing the ITC have been fulfilled.

(vi) Applicable rates of GST for goods and services is 9%, 9% and 18% for CGST, SGST and IGST respectively.

Calculate the net GST payable in cash by BSM Private Limited for the month of March. Support your solutions with relevant explanatory notes. **(10 Marks)**

(b) M/s Alpha Tech Ltd., a registered supplier, supplies machinery to Beta Ltd. (registered in the same State). It furnishes the following details in respect of the said supply:

S. No.	Particulars	Amount (₹)
(i)	Price of machinery (exclusive of taxes and discounts)	5,50,000
(ii)	Packing charges	15,000
(iii)	Subsidy received from Nav Chetna Jagriti Trust [Subsidy is directly linked to the price of the machinery supplied.]	50,000
(iv)	Freight charges for delivery of the machine [M/s Alpha Tech Ltd., has agreed to deliver the machinery at Beta Ltd. premises]	2,000
(v)	Late fees for delayed payment inclusive of GST [Beta Ltd. paid the late fees. However, these charges were ultimately waived by M/s Alpha Tech Ltd., and the amount was refunded to Beta Ltd. during the same month]	1,000
(vi)	Discount @ 2% on price of the machinery mentioned at S. No. (i) above (recorded in the invoice)	

Note: Price of the machinery is net of the subsidy received.

Determine the value of taxable supply made by M/s Alpha Tech Ltd. to Beta Ltd.

(5 Marks)

2. (a) Determine the place of supply from the given information in each of the following independent cases:

(i) Mr. Sanjay Bisaria, a bank manager, is transferred from Bareilly in Uttar Pradesh to Bhopal in Madhya Pradesh. His family is stationed in Kanpur, Uttar Pradesh. He hires Paridhi Carriers of Lucknow, Uttar Pradesh, who are registered under GST in Uttar Pradesh, to transport his household goods from Kanpur to Bhopal. Mr. Sanjay Bisaria is not registered under GST. Determine the place of supply of the transportation service.

(ii) Mr. Sundar, an unregistered person based in Gurugram, Haryana, books a two-way air journey ticket from New Delhi to Mumbai on 5th December. He departs from New Delhi on 10th December in a late-night flight and lands in Mumbai the next day. He leaves Mumbai on 14th December in a morning flight and reaches New Delhi on the same day. Determine the place of supply for both journeys. **(5 Marks)**

(b) KayPee Engineering Pvt. Ltd., registered in Haryana, is engaged in providing maintenance and repair services for heavy steel machinery. For carrying out the repair work, KayPee Engineering Pvt. Ltd. sends its container trucks equipped with items like repair equipments, consumables, tools, parts etc. from Haryana workshop to its own repairing centres (registered under GST law) located in other States across India where the clients' machinery are being brought and are being repaired.

Discuss the leviability of GST on the inter-State movement of trucks from the workshop of KayPee Engineering Pvt. Ltd. in Haryana to its own repairing centres located in other States across India. **(5 Marks)**

3. (a) M/s. Blue Moon & Co. have defaulted in filing the return under section 39 of the CGST Act, 2017 i.e. GSTR-3B for the month of March within the specified due date. Reason for such delay is attributable to delay in closure of books for March, which have been finalised during May. The GST Common portal prompted for payment of late fees payable under section 47 of the CGST Act, 2017 for a sum of ₹ 2,000 under CGST and SGST each. Accountant of M/s. Blue Moon & Co. sought your confirmation for payment of such late fees through the balance available in Electronic Credit Ledger Give your guidance in this regard.

(5 Marks)

(b) M/s Goel Electronics, a registered dealer, is supplying all types of electronic appliances in the State of Karnataka. Its aggregate turnover in the preceding financial year by way of supply of appliances is ₹ 120 lakh.

The firm also expects to provide repair and maintenance service of such appliances from the current financial year.

With reference to the provisions of the CGST Act, 2017, examine:

(i) Whether the firm can opt for the composition scheme, under section 10(1) and 10(2), for the current financial year, as the turnover may include supply of both goods and services?

(ii) If yes, up to what amount, the services can be supplied? **(5 Marks)**

4. (a) Services provided by an entity registered under section 12AB of the Income-tax Act, 1961 are exempt from GST if such services are provided by way of charitable activities. Elaborate the term 'charitable activities'. **(5 Marks)**

Or

(a) GST is payable on advance received for supply of goods and services taxable under forward charge.

Do you agree with the statement? Support your answer with legal provisons.

(5 Marks)

(b) What are the documents and devices to be carried by person-in-charge of conveyance under rule 138A of CGST Rules, 2017? Also explain the meaning of consignment value of goods. **(5 Marks)**