

*5/10 PM*

Roll No. ....

Total No. of Printed Pages – 12

Total No. of Questions – 10

Maximum Marks – 70

**GENERAL INSTRUCTIONS TO CANDIDATES**

1. The question paper comprises two parts, Part I and Part II.
2. Part I comprises Multiple Choice Questions (MCQs).
3. Part II comprises questions which require descriptive type answers.
4. Ensure that you receive the question paper relating to both the parts. If you have not received both, bring it to the notice of the invigilator.
5. Answers to Questions in Part I are to be marked on the OMR answer sheet given on the cover page of Section A of descriptive answer book only. Answers to questions in Part II are to be written on the same descriptive type answer book. Answers to MCQs, if written inside the descriptive type answer book, will not be evaluated.
6. OMR answer sheet given on the cover page of Section A of descriptive answer book will be in English only for all candidates, including for Hindi medium candidates.
7. The barcoded sticker provided in the attendance register, is to be affixed only on the descriptive type answer book.
8. You will be allowed to leave the examination hall only after the conclusion of the exam. If you have completed the paper before time, remain in your seat till the conclusion of the exam.
9. Duration of the examination is 3 hours. You will be required to submit (a) Part I of the question paper containing MCQs, and (b) the answer book in respect of descriptive type answer book with OMR cover page to the invigilator before leaving the exam hall, after the conclusion of the exam.
10. The invigilator will give you acknowledgement on Page 2 of the admit card, upon receipt of the above-mentioned items.
11. Candidate found copying or receiving or giving any help or defying instructions of the invigilators will be expelled from the examination and will also be liable for further punitive action.

**PART – II  
SECTION – A**

**70 marks**

1. Question paper comprises 5 questions. Answer Question No. 1 which is compulsory and any 3 out of the remaining questions.
2. Working notes should form part of the answer.
3. Answers to the questions are to be given only in English except in the case of candidates who have opted for Hindi Medium. If a candidate has not opted for Hindi Medium, his/her answers in Hindi will not be evaluated.
4. Answers to all questions should relate to Assessment Year 2021-22, unless otherwise stated.

**SECTION – B**

1. Question paper comprises 5 questions. Answer Question No. 6 which is compulsory and any 3 out of the remaining questions.
2. Working notes should form part of the answer.
3. Answers to the questions are to be given only in English except in the case of candidates who have opted for Hindi Medium. If a candidate has not opted for Hindi Medium, his/her answers in Hindi will not be evaluated.
4. All questions should be answered on the basis of position of GST law as amended upto 30<sup>th</sup> April, 2021.

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## PART – II

## Section – A

1. Ms. Aanchal aged 40 years is an advocate (Taxation). She keeps her books of accounts on cash basis. Her profit & loss account for the year ended on March 31, 2021 is as follows : 14

## Profit &amp; Loss Account for the year ending March 31, 2021

EXPENDITURE	AMOUNT (₹)	INCOME	AMOUNT (₹)
• Staff salary	20,10,000	• Fees Earned from :	
• Rent	9,00,000	• Taxation services	20,00,000
• Administrative expenses	6,50,000	• Appeals	15,00,000
• Incentives to office staff	2,00,000	• Consultancy	<u>15,00,000</u>
• Meetings, Seminars and conferences	1,70,000		50,00,000
• Purchase of car (for official use) on 01.07.2020	3,00,000	• Dividend from an Indian company (gross) on 01.07.2020	11,00,000
• Repairs, Maintenance and petrol of car	35,000	• Interest on deposit certificates issued under gold monetization scheme, 2015	25,000
• Travelling Expenses	5,00,000	• Gifts	1,00,000
• Municipal tax paid in respect of house property	9,000	• Honorarium received for valuation of answer papers	50,000
• Net profit	15,91,000	• Rent received in respect of house property	90,000
	<b>63,65,000</b>		<b>63,65,000</b>

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**Other informations :**

- (i) Gifts represent fair market value of an 'iPhone12 pro', which was given by one of her clients for successful presentation of case in the Income Tax Appellate Tribunal.
  - (ii) Administrative expenses include ₹ 50,000 paid to a tax consultant in cash for assisting Ms. Aanchal in one of the professional assignments.
  - (iii) The traveling expenses include expenditure incurred on foreign professional tour of ₹ 50,000 which was within the RBI norms.
  - (iv) Ms. Aanchal paid medical insurance premium for her parents (senior citizens and not dependent on her) online amounting ₹ 47,000. She also paid ₹ 8,500 by cash towards preventive health check-up for herself and her spouse.
  - (v) Repairs and maintenance of car include ₹ 25,000 for the period from 1-10-2020 to 30-09-2021.
  - (vi) She has paid ₹ 1,00,000 towards advance tax during the P.Y. 2020-21.
- Compute the Total Income and Net Tax Payable as per the most beneficial taxation scheme for Ms. Aanchal for the A.Y. 2021-22.

2. (a) Mr. Dhruv, an Indian citizen aged 32 years, a Central Government officer serving in the Ministry of Corporate Affairs, left India for the first time on 31.03.2020 due to transfer to High Commission of UK. He did not visit India any time during the previous year 2020-21. He has received the following income for the previous year 2020-21 :
- |   |           |
|---|-----------|
| (i) Salaries received for services rendered in London (computed)                        | 20,00,000 |
| (ii) Foreign Allowances   | 10,00,000 |
| (iii) Interest on saving bank deposit in State Bank of India                            | 1,00,000  |
| (iv) Short term capital gains on sale of shares of an Indian Company received in London | 2,00,000  |

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(v) Dividend from PP Ltd., an Indian company paid in London 50,000

(vi) Rent from property in London deposited in a bank  
in London, later on remitted to India through approved  
banking channels 1,80,000

Compute the Total Income of Mr. Dhruv for the Assessment Year  
2021-22.

(b) Discuss with brief reason, whether following incomes can be regarded  
as agricultural income, as per provisions of Income-tax Act, 1961. 2

(i) Income received from sale of seedlings in a nursery adjacent to  
the agriculture land owned by an assessee.

(ii) Rent received for letting out agricultural land for a shop opera  
(a television serial)

3. Mr. Joseph a resident aged 33 years is a state government employee at  
Bangalore. He has the following receipts from his employer : 7

(a) Basic pay ₹ 60,000 p.m.

(b) DA (forms part for retirement benefits) ₹ 6,000 p.m.

(c) Entertainment allowances ₹ 500 p.m.

(d) House Rent Allowance ₹ 15,000 p.m.

(e) Motor car for official and also for personal use (cubic capacity of  
engine does not exceed 1.6 litres and expenses are met by the  
employer)

He provides the following information also :

(i) He had paid a rent of ₹ 16,000 p.m. for his accommodation at  
Bangalore.

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- (ii) He contributes ₹ 5,000 towards recognized provident fund on 15.03.2021.
- (iii) Due to COVID-19, work at home facility was allowed by Karnataka Government wef 01.10.2020. He went back to Cochin and vacated the house at Bangalore and also motor car.
- (iv) Professional tax paid - ₹ 2,000 ( 50% was paid by employer)
- (v) He has no other income.

Compute the income chargeable to Mr. Joseph under the head “income from salary” for AY 2021-22.

4. Gopal, a resident aged 50 years furnishes the following information for the year ended on 31-03-2021 :

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Income by way of salary (computed)	2,75,000
Income from house property	(1,85,000)
Business income – Retail business	1,20,000
Business income – whole sale business	(1,00,000)
Brought forward business loss (AY 2019-20)	(1,35,000)
Long term capital gain from sale of listed equity shares	
(STT paid on sale and purchase of shares)	2,00,000
Lottery winning (gross)	45,000
Contribution to provident fund and NSC	1,50,000
Income of minor daughter Manisha from special talent	2,00,000
Interest from Bank received by Manisha on deposit made out of her special talent	15,000

Compute his income tax liability assuming that he does not opt for Section 115 BAC and his wife does not earn any income.

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5. (a) Compute the amount of TDS under the following situations ignoring the special rates of the COVID pandemic period : 4×1  
=4

(i) ₹ 51,000 paid to Mr. R, a resident individual as interest income on compensation awarded by Motor Accidents Claims Tribunal by a transport company.

(ii) Mr. K, deposited ₹ 30,00,000 @ 10% p.a. with Dagrū Co-operative Bank Limited for one Year.

(iii) Mr. Lakhpati got ₹ 3,20,000 at 10<sup>th</sup> level of cross word after using life line of phone friend in online cross word gaming.

(iv) Mr. R, deposited ₹ 1,00,000 @ 12% p.a. for half year with Growth Investment LLP.

(b) Mr. Prabhav, aged 30 yrs., is a resident of India. During the financial year 2020-21, interest of ₹ 3,00,000 was credited to his non-resident external (NRE) account with SBI. The same account has been maintained with the permission of RBI. ₹ 1,50,000 being interest on fixed deposit with SBI, was credited to his saving bank account during this period. He also earned ₹ 5,000 as interest on his savings bank account. He invested ₹ 50,000 in term deposit with SBI on 31-3-2021 for a period of five years. 3

Is Prabhav required to file return of income u/s 139(1) of the Income-Tax act 1961 ?

What will be your answer if he has deposited ₹ 51,00,000 in current account in SBI and ₹ 50,00,000 in current account in co-operative bank respectively ?

OR

Briefly discuss the provisions relating to payment of advance tax on income arising from capital gains. 3

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Section – B

6. M/s. ABC & Co., a chartered accountancy firm having office in Bengaluru registered under GST in the State of Karnataka, submitted the following information for the month of April 2021 : 8

Sr. No.	Particulars	Amount of services provided excluding GST (₹)
1.	Statutory audit services provided (intra-State supplies)	1,20,000
2.	ITR filing services provided within Karnataka (intra-State supplies)	1,60,000
3.	Internal audit services provided to Mumbai client (inter-State supplies)	1,80,000

ABC & Co. had also incurred the following expenses in the month of April, 2021 for the purpose of providing the taxable services :

Sr. No.	Particulars	Amount including GST (₹)
1.	Car purchased by firm for the use of senior partner of the firm for official use	7,84,000 (₹ 42,000 CGST and ₹ 42,000 SGST)
2.	Office rent paid to landlord who is registered in State of Karnataka	5,900 (CGST ₹ 450 and SGST ₹ 450)
3.	Professional fee paid to Mr. Rajesh, a practicing Chartered Accountant, for professional services availed	2,36,000 (CGST ₹ 18,000 and SGST ₹ 18,000) TDS deducted ₹ 20,000 u/s 194J of the Income Tax Act, 1961
4.	Computer purchased for office purpose	56,000 (CGST ₹ 3,000 and SGST ₹ 3,000)

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Out of the above 4 suppliers/service providers, landlord of office to whom rent was paid has not uploaded his GSTR-1 within the specified time allowed under GST resulting in the GST amount not reflecting in GSTR-2A of ABC & Co.

Compute the net GST payable (CGST, SGST and IGST after adjustment of ITC) by ABC & Co. for the month of April 2021.

Rates of CGST, SGST and IGST are 9%, 9% and 18% respectively assuming that all the remaining conditions of utilisation of ITC are fulfilled.

7. (a) A Ltd., registered under GST, is engaged in job work of engineering goods as well as supplying of engineering goods. A Ltd. provides following details regarding orders received for Job work and supply of goods :

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**A. Job work of engineering goods**

Date of confirmation of order - 01.03.2021

Date of receipt of advance of ₹ 1,50,000 - 03.03.2021

Date of completion of job work - 06.03.2021

Date of issue of invoice for total amount - 11.03.2021

Date of receipt of balance payment of ₹ 1,00,000 - 16.03.2021

**B. Supply of engineering goods**

Date of confirmation of order - 08.01.2021

Date of receipt of advance of ₹ 1,50,000 - 12.01.2021

Date of removal of goods - 17.01.2021

Date of issue of invoice for total amount - 22.01.2021

Date of receipt of balance payment of ₹ 1,00,000 - 01.02.2021

You are required to examine and determine the time and value of supply under forward charge w.r.t. job work and supply of goods under the provisions of CGST Act, 2017.

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(b) In the below two independent cases, you are required to examine and explain with reasons as per GST rules and regulations :

(i) B is engaged exclusively in intra-State supply of taxable goods in the state of Punjab. Her aggregate turnover is ₹ 32 lakh. She also receives certain inward supplies on which GST is payable under RCM. Whether she is liable to be registered or not ? 2

(ii) A is engaged in supply of taxable goods. He has taken voluntary registration under CGST Act. His aggregate turnover is below the threshold limit. He is of the opinion that he will be liable to pay tax from the day his aggregate turnover exceeds the threshold limit. Whether the contention of A is tenable ? 2

8. (a) PQR Ltd., a registered supplier from Madhya Pradesh, is engaged in the manufacturing of heavy machines. The company provides the following details of purchases made/services availed by it during the month of February, 2021 : 5

Sr. No.	Particulars	GST Amount (₹)
1.	Payment for fitness club membership availed by employee as one of the terms of employment	25,000
2.	Payment made to outdoor catering service to run a free canteen in factory as it is required under The Factories Act, 1948	55,000
3.	Payment made to travel agency for organizing a free vacation for it's best performance awarded employees	35,000
4.	Payment made for work contract service availed for the construction of pipe line to be laid outside company's factory	1,05,000

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You are required to determine the eligible ITC available to PQR Ltd. for the month of February, 2021 by giving brief explanations for treatment of various items.

Assume all the conditions necessary for availing ITC have been fulfilled.

- (b) Discuss with reasons whether GST is payable in respect of transportation services provided by X Transports, a goods transport agency, in each of the following independent cases. Also, calculate the total taxable value of the transportation services : 4

Sr. No.	Customer	Nature of Services provided	Amount charged excluding of GST (₹)
1	A	Transportation of goods on consignment transported in a single goods carriage	1,180
2	B	Transportation of chairs for a single consignee in the goods carriage	3,000
3	C	Transportation of Milk	8,000

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9. (a) B Enterprises started its business activities in the month of January, 2021, in the State of Karnataka. It provides the following information :

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Sr. No.	Particulars	Amount (₹)
1.	Value of intra-State outward taxable supply of goods	7,00,000
2.	Value of inter-State outward taxable supply of services	6,00,000
3.	Value of intra-State outward supply on which tax is payable under Reverse Charge Mechanism.	1,00,000
4.	Value of intra-State outward supply of exempted good from its other place of business in the State of Manipur (under same PAN)	5,00,000

From the information given above, you are required to calculate the aggregate turnover of B Enterprises with necessary explanations and also, specify with reason whether it is liable to get registered under CGST Act or not.

- (b) The aggregate turnover of taxable supplies of services of XYZ Ltd., Gujarat, has exceeded ₹ 20 Lakhs on 10<sup>th</sup> October, 2020. It applied for registration on 2<sup>nd</sup> November, 2020 and was granted the registration certificate on 5<sup>th</sup> November, 2020. You are required to advice XYZ Ltd. with relevant provisions of GST:

- (i) What will be the effective date of registration ? 2
- (ii) Period for issuance of revised tax invoices from applicability of registration till date of registration. 2

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10. (a) Briefly explain the requirement of Dynamic Quick Response (QR) code and list out the non-applicability of requirement of Dynamic QR code. **5**

**OR**

- List out the benefits of the new payment system of GST available to the taxpayer and the GST Department. **5**

- (b) A registered person is opting for Quarterly Return Monthly Payment (QRMP) scheme. You are required to answer the following : **4**

- (i) What are the due dates for filing of GSTR 3B under QRMP scheme ?
- (ii) Mention any 2 States for each of the due dates of filing of GSTR 3B under QRMP scheme.

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