

Roll No. ....

Total No. of Questions – 10

Total No. of Printed Pages – 12

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 only. Answers to questions in Part II are to be written on the descriptive type answer book. Answers to MCQs, if written in the descriptive type answer book, will not be evaluated.
6. OMR answer sheet will be in English only for all candidates, including for Hindi medium candidates.
7. The bar coded sticker provided in the attendance register, is to be affixed only on the descriptive type answer book. No bar code sticker is to be affixed on the OMR answer sheet.
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, (b) OMR answer sheet thereon and (c) the answer book in respect of descriptive type answer book 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 2019-20 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 31<sup>st</sup> October, 2018.

## PART - II

## SECTION - A

1. Mr. X working in a private company from last 10 years. His salary details for the financial year 2018-19 are : 14

|                          | ₹        |                      |
|--------------------------|----------|----------------------|
| i. Basic Salary          | 1,50,000 | p.m.                 |
| ii. Dearness Allowance   | 55,000   | p.m.                 |
| iii. Commission          | 35,000   | p.m.                 |
| iv. Transport Allowance  | 5,000    | p.m.                 |
| v. Medical Reimbursement | 20,000   | paid during the year |

Mr. X resigned from the services on 30<sup>th</sup> September, 2018. He was paid gratuity of ₹ 20 lakhs on his retirement. A lumpsum amount of ₹ 36 lakhs was also paid from unrecognised provident fund. The provident fund amount consisted of employer's contribution ₹ 13.20 lakhs and interest thereon ₹ 3 lakhs. The employee's contribution was ₹ 16.20 lakhs and interest thereon was ₹ 3.60 lakhs.

He had taken the possession of house on 28<sup>th</sup> February, 2019 after making payment of final instalment of housing loan to bank. Loan was taken on 01-04-2017. The accumulated interest as on 31<sup>st</sup> March, 2018 was ₹ 1.5 lakh. He made payment of ₹ 2,20,000 during the year which included interest ₹ 1,10,000 for 11 months.

He started business of hiring of goods vehicle, purchased 3 small goods vehicle on 15<sup>th</sup> November, 2018 and 3 heavy vehicles having gross weight of 15 MTs each on 1<sup>st</sup> December, 2018. He did not maintain books of accounts for income and expenditure of hiring of goods vehicle. One of his friend gifted him ₹ 6 lakhs to purchase the vehicles.

(3)

**LHP2**

He was holding 25% equity shares in CMF Ltd., an Indian company. The paid up share capital of company as on 31<sup>st</sup> March, 2018 was ₹ 20 lakh divided into 2 lakh shares of ₹ 10 each which were issued at a premium of ₹ 30 each. Company allotted shares to shareholders on 1<sup>st</sup> October, 2013. Company bought back 30% of its share on 30<sup>th</sup> April, 2018 under the provisions of Companies Act, 2013 on making payment of ₹ 60 per share.

He paid insurance premium of ₹ 20,000 on his life policy during the financial year 2018-19. The policy was taken in April 2011 and sum assured was ₹ 1,50,000. He also made payment of ₹ 25,000 L.I.C. pension fund and premium of ₹ 40,000 towards mediclaim policy for self and wife.

Compute total income and tax payable thereon for the Assessment year 2019-20. There was no change in salary of Mr. X from last two years. Cost inflation Index is :

| Financial Year | Cost Inflation Index |
|----------------|----------------------|
| 2013-14        | 220                  |
| 2018-19        | 280                  |

2. (a) Mr. Bachhan has provided the following details of his income for the year ended 31-3-2019.

4

- |  | ₹      |
|--|--------|
| (1) Short term capital gains on sale of shares in Indian Company received in Japan.  | 85,000 |
| (2) Dividend from a Chinese Company received in China  | 30,000 |
| (3) Rent from property in Bangladesh deposited in a bank at Dhaka, later on remitted to India through approved banking channels. | 96,000 |
| (4) Dividend from ABC Ltd., an Indian Company  | 22,000 |

Compute his total income for the Assessment Year 2019-20 in case of he is :

- Resident and ordinary resident;
- Resident but not ordinarily resident; or
- Non-resident

**LHP2**

**P.T.O.**

(4)

**LHP2**

(b) The following issues arise in connection with the deduction of tax at sources under chapter XVII-B. Discuss the liability for tax deduction in these cases : 3

- (i) An employee of the Central Government receives arrears of salary for the earlier 3 years. He inquires whether amount will be received after deduction of tax at source during the current year.
- (ii) A T.V. channel pays ₹ 10 lacs as prize money to the winner of a quiz programme.
- (iii) A Nationalized bank pays ₹ 50,000 per month as rent to the Central Government for a building in which one of its branch is situated.
- (iv) A television company pays ₹ 50,000 to a cameraman for shooting of a documentary film.

3. (a) Krishna furnishes the following particulars for the previous year 2017-18 and 2018-19 in respect of an industrial undertaking established in "Special Economic Zone" during the financial year 2013-14. 3

| Particulars  | 2017-18<br>(₹) | 2018-19<br>(₹) |
|--|----------------|----------------|
| Total sales  | 60,00,000      | 85,00,000      |
| Export sales   | 48,00,000      | 55,00,000      |
| Domestic sales   | 12,00,000      | 30,00,000      |
| Money received in or brought to India in convertible foreign exchange up to 30-09-2018/30-09-2019. | 43,20,000      | 40,00,000      |
| Profit from the above undertaking  | 6,00,000       | 10,00,000      |

Total Sales of F.Y. of 2018-19 includes freight of ₹ 5 lacs for delivery of goods outside India. Compute the amount of deduction available to Mr. Krishna under section 10AA.

**LHP2**

(5)

**LHP2**

(b) M/s. Keshav Enterprises, a sole proprietorship own four machines, put in use for business in March, 2017. The depreciation on these machines is charged @ 15%. The written down value of these machines as on 1<sup>st</sup> April, 2018 was ₹ 7,70,000. Two of the old machines were sold on 15<sup>th</sup> July, 2018 for ₹ 10,00,000. A second hand plant was bought for ₹ 6,10,000 on 30<sup>th</sup> December, 2018. You are required to :

- (i) Determine the claim of depreciation for Assessment Year 2019-20.
- (ii) Compute the capital gains liable to tax for Assessment Year 2019-20.
- (iii) If Keshav Enterprises had sold the two machines in July, 2018 for ₹ 15,00,000; explain, will there be any difference in your above workings ?

4. (a) Mr. Deepak has a residential house property taxable u/s 22. Such property was acquired on 12-08-2005 for ₹ 2,00,000. The property is sold for ₹ 23,00,000. The sub-register refused to register the documents for the said value, as according to him, stamp value valuation, based on State Government guidelines was 28,00,000. Mr. Deepak preferred an appeal to the revenue divisional officer who fixed the value of the house ₹ 25,00,000. He acquired another residential house on 31-03-2019 for ₹ 17,00,000 for self-occupation. On 01-03-2020, he sold such new residential house for ₹ 30,00,000. Compute his capital gain for the A.Y. 2019-20 and 2020-21. (Cost of indexation : 2001-02; 2005-06 and 2018-19 are, 100; 117 and 280)

(b) Briefly explain with example, the meaning of Cross Transfer, the objective to make such transactions and implications thereof under the Income Tax Laws.

**LHP2**

**P.T.O.**

(6)

**LHP2**

5. (a) Miss Himanshi (68 years) is a resident individual. During the assessment year 2019-20, she has income from Long-term capital gain on transfer of equity shares ₹ 1,80,000 (Securities transaction has been paid on acquisition and transfer of the said shares) and income from Other sources ₹ 2,75,000. Compute her tax liability for Assessment year 2019-20. 3

(b) Answer any **one** of the followings : 4

(i) Prakash is retired Government Officer aged 65 years, resides in Cochin, derived following income :

|  | ₹        |
|--|----------|
| Pension                                      | 6,60,000 |
| Interest from bank on fixed deposits (Gross) | 55,000   |

Compute the total income of Mr. Prakash for the assessment year 2019-20 from the following particulars :

- i. Life insurance premium paid by cheque ₹ 22,500 for insurance of his life. The insurance policy was taken on 08-09-2015 and the sum assured is ₹ 2,00,000.
- ii. Premium of ₹ 26,000 paid by cheque for health insurance of self and his wife.
- iii. ₹ 1,500 paid in cash for his health check-up and ₹ 4,500 paid through cheque for preventive health check-up of his parents, who are senior citizens.
- iv. Paid interest ₹ 6,500 on loan taken from bank for MBA course pursued by his daughter.
- v. A sum of ₹ 15,000 donated in cash to an institution approved for purpose of section 80G for promoting family planning.

**OR**

**LHP2**

(7)

**LHP2**

- (ii) Mr. Rahman furnishes the following information for the financial year 2018-19. 4

| Particulars  | ₹        |
|--|----------|
| Loss from speculation business-A   | 70,000   |
| Profit from speculation business-B   | 30,000   |
| Loss from self occupied house property   | 2,20,000 |
| Income from let out house property   | 4,20,000 |
| Income from trading and manufacturing business @ 8%  | 2,00,000 |
| Salary income  | 3,70,000 |
| Interest on PPF deposit  | 65,000   |
| Long term capital gain on sale of Vacant site  | 1,10,000 |
| Short term capital loss on sale of Jewellery   | 50,000   |
| Investment in tax saver deposit on 31-03-19  | 60,000   |
| Brought forward loss of business of assessment year 2013-14  | 1,00,000 |
| Donation to a charitable trust recognized under section 12AA and approved under section 80G            | 1,40,000 |
| Enhancement compensation received from government for compulsory acquisition of lands in the year 2006 | 3,00,000 |

Compute total income of Mr. Rahman for the assessment year 2019-20 and loss he is eligible to carry forward.

**LHP2**

**P.T.O.**

Intermediate (IPC)  
Group I - Paper 4B  
INDIRECT TAXES

(8)

LHP2

PART - II

SECTION - B

Q. No. 6 is compulsory question. Out of remaining four questions (Q. No. 7 to Q. No. 10), candidates may attempt any **three**.

6. Mr. Uttam Kumar a registered supplier of service in Kolkata, has provided following information for the month of October, 2018 :

8

| No. | Particulars   | Amount in (₹) |
|-----|---|---------------|
| 1.  | Intra-State taxable supply of service   | 6,40,000      |
| 2.  | Amount received from Kapola Pvt.Ltd., for service provided to company. (He is a director in Kapola P. Ltd.), being Intra-State transaction.   | 5,00,000      |
| 3.  | Paid legal fee to senior advocate for one legal matter within State, being Intra-State transaction.   | 50,000        |
| 4.  | Amount received for service provided by him as a commentator to a local recognized sports body, being Intra-State transaction   | 1,20,000      |
| 5.  | Amount received for acting as a coach in recreational activities relating to sports, from one local charitable entity registered under section 12AA of the Income Tax Act, 1961, being Intra-State transaction. | 30,000        |

Compute the net GST liability (CGST, SGST or IGST) of Mr. Uttam Kumar for the month of October, 2018

Rate of CGST, SGST and IGST are 9%, 9% and 18% respectively.

All the amounts given are exclusive of CGST, SGST and IGST.

LHP2

(9)

**LHP2**

7. (a) Koli Ltd. supplies machinery to Ghisa Ltd. (Dealer in same State), provides following particulars regarding the same. Determine the value of taxable supply of machinery. 5

| No.   | Particulars   | Amount (₹) |
|-------|---|------------|
| (i)   | Price of Machinery (exclusive of taxes and discounts)   | 5,50,000   |
| (ii)  | One part is directly fitted in machinery at place of Ghisa Ltd. (Amount paid by Ghisa Ltd. directly to supplier, As per contract this amount should be paid by Koli Ltd. and not included in price) | 20,000     |
| (iii) | Installation and testing charges for machinery, not included in price.  | 25,000     |
| (iv)  | Discount 2% on machinery price (Recorded in the invoice)  |            |
| (v)   | Koli Ltd. provides additional 1% discount at year end, based on additional purchase of other machinery  |            |

- (b) Jamku Ltd. a registered person is engaged in the business of spices. It provides following details for GST paid during October, 2018. 4

| No. | Particulars  | GST Paid (₹) |
|-----|--|--------------|
| 1.  | Raw spices purchase  |              |
|     | – Raw spices used for furtherance of spices                                    | 50,000       |
|     | – Raw spices used for personal use of Directors                                | 20,000       |
| 2.  | Electric machinery purchased to be used in the manufacturing process.          | 25,000       |
| 3.  | Motor vehicle used for transportation of the employee                          | 55,000       |
| 4.  | Payment made for material and to contractor for construction of staff quarter. | 1,25,000     |

**LHP2**

**P.T.O.**

(10)

**LHP2**

Determine the amount of ITC available to Jamku Ltd. for the month of October, 2018 with all related workings and explanations.

All the conditions necessary for availing the ITC have been fulfilled.

8. (a) Examine the liability of compulsory registration under section 24 of the CGST Act, 2017, in each independent cases mentioned below :
- (1) Meenu is a supplier in Maharashtra, is engaged in supply of potatoes within Maharashtra and also outside Maharashtra, whose turnover exceeds threshold limit under GST Law. 2
  - (2) Jinu Oils, Gujarat, is engaged in supplying machine oil as well as petrol. Total turnover of machine oil is 20 lakh and of petrol is 15 lakh. 2
  - (3) Tilu is working as an agent, he is supplying goods as an agent of Tiku (who is registered taxable person) and its aggregate turnover does not exceed 20 lakh during the financial year. 1
- (b) Jolla provides continuous supply of services regarding Annual Maintenance Contract (AMC) of Air conditioner and all electronic items in Khotu Ltd. He provides following details regarding same :
- They made contract for the AMC. As mentioned in contract AMC will be starts from 01-10-2017 and AMC is valid for a year. AMC ends on 30-09-2018. Jolla receives payment for the AMC on 31-10-2018.
- Explain time of issue of invoice in Continuous Supply of Service (CSS) as per provisions of CGST Act, 2017 and accordingly determine time of issue of Invoice in following different circumstances :
- (1) As mentioned in contract Khotu Ltd. have to make payment on 05-11-2018.
  - (2) If terms of payment is not mentioned in AMC and also not agreed by both the parties.

**LHP2**

**LHP2**

9. (a) Examine in relation to composition levy scheme under the CGST Act, 2017 and the rules made thereunder in the following individual cases :

- (1) Ketu is a manufacturer of Ice-cream and pan masala in State of Maharashtra. His turnover for the year does not exceed ₹ 1 Crore. He wants to register for composition levy scheme. Is he eligible for it ? 1
- (2) Jadhu of Gujarat opts for composition scheme during a financial year 2017-18. But on 10-02-2018 his turnover crosses ₹ 1 Crore, can he continue under composition levy scheme. 2
- (3) X Ltd. has 2 branches K & L in Delhi, having same PAN. Branch K opts for normal scheme. X Ltd. want to continue composition levy in case of its branch L. Can X Ltd. continue composition levy only for branch L ? 2
- (b) Please answer following individual independent cases with reference to Section 37 of the CGST Act, 2017 and rule-59 of CGST Rules, 2017 :
- (1) Mr. Kolly is registered supplier in the State of Gujarat. He is filling GSTR 1 every month. During the month of February, 2018 he was out of India and so did not do any transaction during the month. He believes that as there is no transaction there is no need to file GSTR 1 for the month of February, 2018. Is he correct ? 1
- (2) Mr. Kaji is a registered dealer in Kerala. He was registered as a normal tax payer for FY 2017-18. But on 15-01-2018, he converted from normal tax payer to composition tax payer. Is he liable to file GSTR-1 for the month of February, 2018 ? 2
- (3) Mrs. Zeel a registered dealer in Rajasthan did not file GSTR1 for the month of June, 2018 but she wants to file GSTR1 for the month of July, 2018. Is it possible ? 1

**LHP2****P.T.O.**

(12)

**LHP2**

10. (a) Explain the meaning of consignment note in relation to Goods Transport Agency and state its contents as per provisions of the CGST Act, 2017. 4

**OR**

Explain the services provided by way of tolerating non-performance of a contract and its chargeability under the provisions of the CGST Act, 2017.

- (b) What are the E-ledgers ? State the entries to be debited to electronic liability register under the CGST Act, 2017 and the CGST Rules, 2017. 5

---

**LHP2**