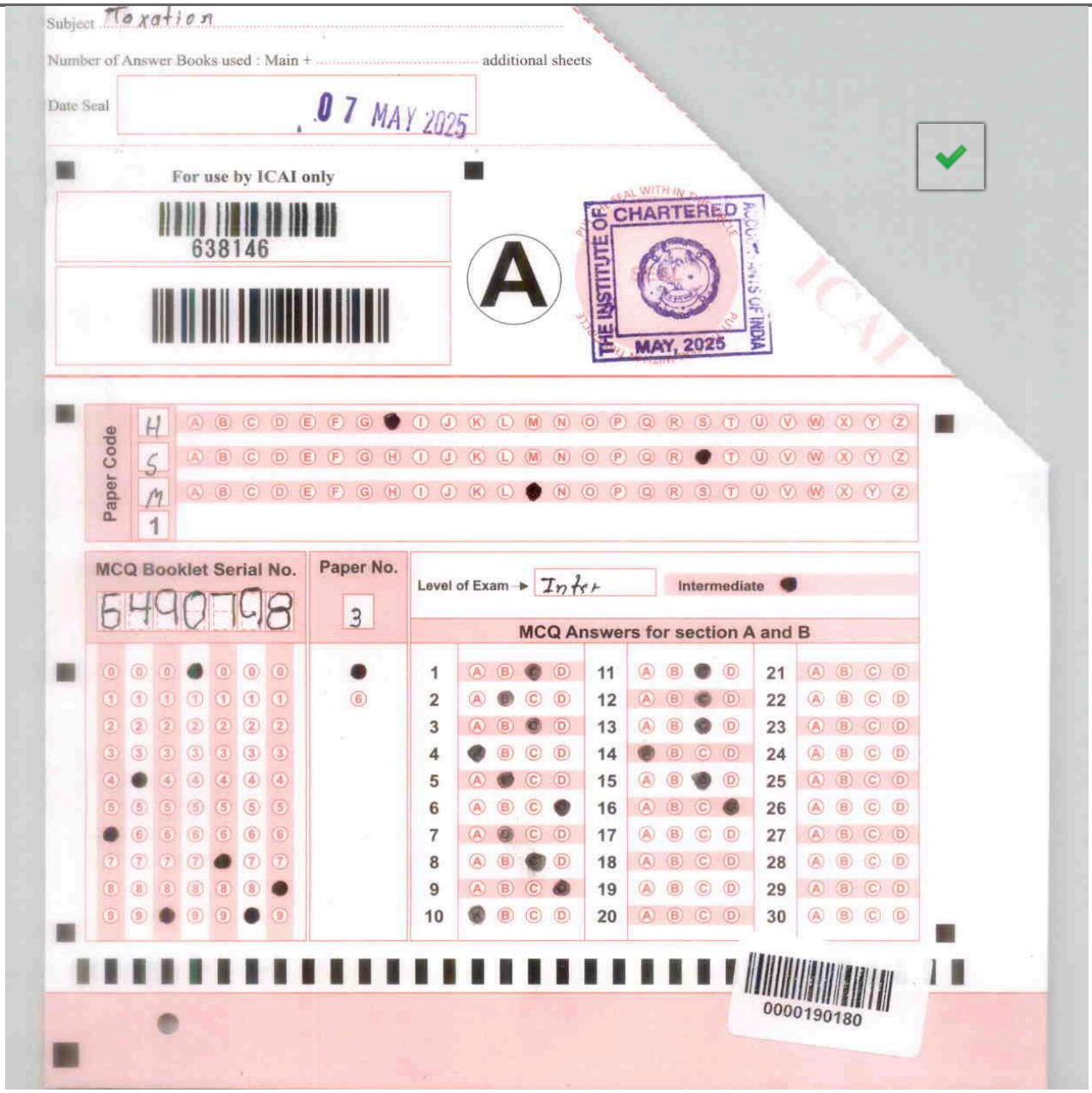
# The Institute of Chartered Accountants of India

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| **Code:** | **IN3AI638146** | **Total Marks:** | **35** |
| **Subject :** | **03A Income Tax Law** | **Marks Obtained :** | 18 |



# The Institute of Chartered Accountants of India

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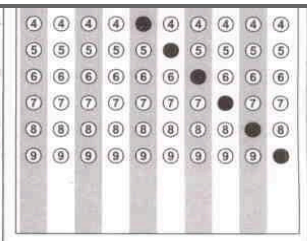
number prominently written at the top of each answer.

ne page or in a consecutive set of pages, before the next question

**A in the answer booklet with the marking Aon the cover page and arking B on the cover page. In case a candidate writes the answers in alued and no correspondence in this regard will be entertained.**

e space provided for the purpose or writing distinguishing mark, symbols like "OM", to adoption of "unfair means"

k to the invigilator take care to score out (X) blank pages, if any, that you might have left.



IONS TO THE CANDIDATE FOR FILLING THE **MCQ ANSWER FIELDS**

**encil to Darken the appropriate Circle.**

ken the correct MCQ Booklet Serial No. as printed on your question booklet which will be taken as final for evaluation.

y candidate fills in this information wrongly, Institute will not take any responsibility for rectifying the mistake.

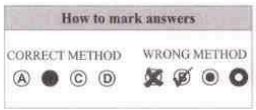
darken the complete circle.

you want to change your Answer, erase the all darkened circle completely and make a fresh mark.

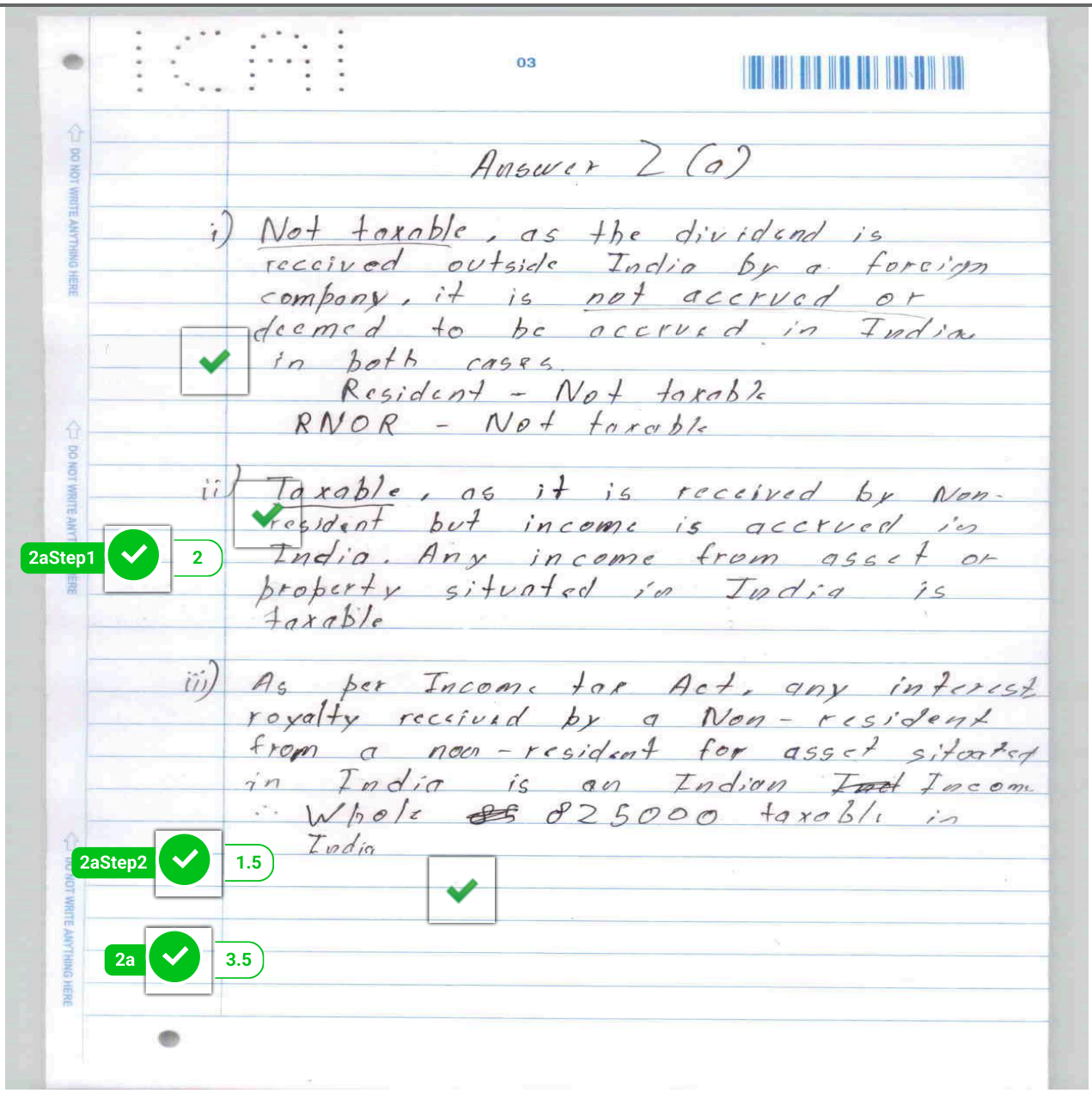
. Please do NOT make any stray marks on the OMR cover page.

6. Rough work must NOT be done on the OMR cover page.

7. Mark your answer only in the appropriate space against the number corresponding to the question.




| Q. No. | To be ticked ✓ by the candidate against the Questions answered ( Descriptive Type ) | | |
|---|---|---|---|
| 1 | ☐ | 8 | ☐ |
| 2 | ☐ | 9 | ☐ |
| 3 | ☐ | 10 | ☐ |
| 4 | ☐ | 11 | ☐ |
| 5 | ☐ | 12 | ☐ |
| 6 | ☐ | 13 | ☐ |
| 7 | ☐ | 14 | ☐ |
| **Total** | | **Total** | |



03

Answer 2 (a)

i) Not taxable, as the dividend is received outside India by a foreign company, it is not accrued or deemed to be accrued in India in both cases.
Resident - Not taxable
RNOR - Not taxable

ii) Taxable, as it is received by Non-resident but income is accrued in India. Any income from asset or property situated in India is taxable

iii) As per Income tax Act, any interest royalty received by a Non-resident from a non-resident for asset situated in India is an Indian ~~Inc~~ Income
∴ Whole ~~$$~~ 825000 taxable in India

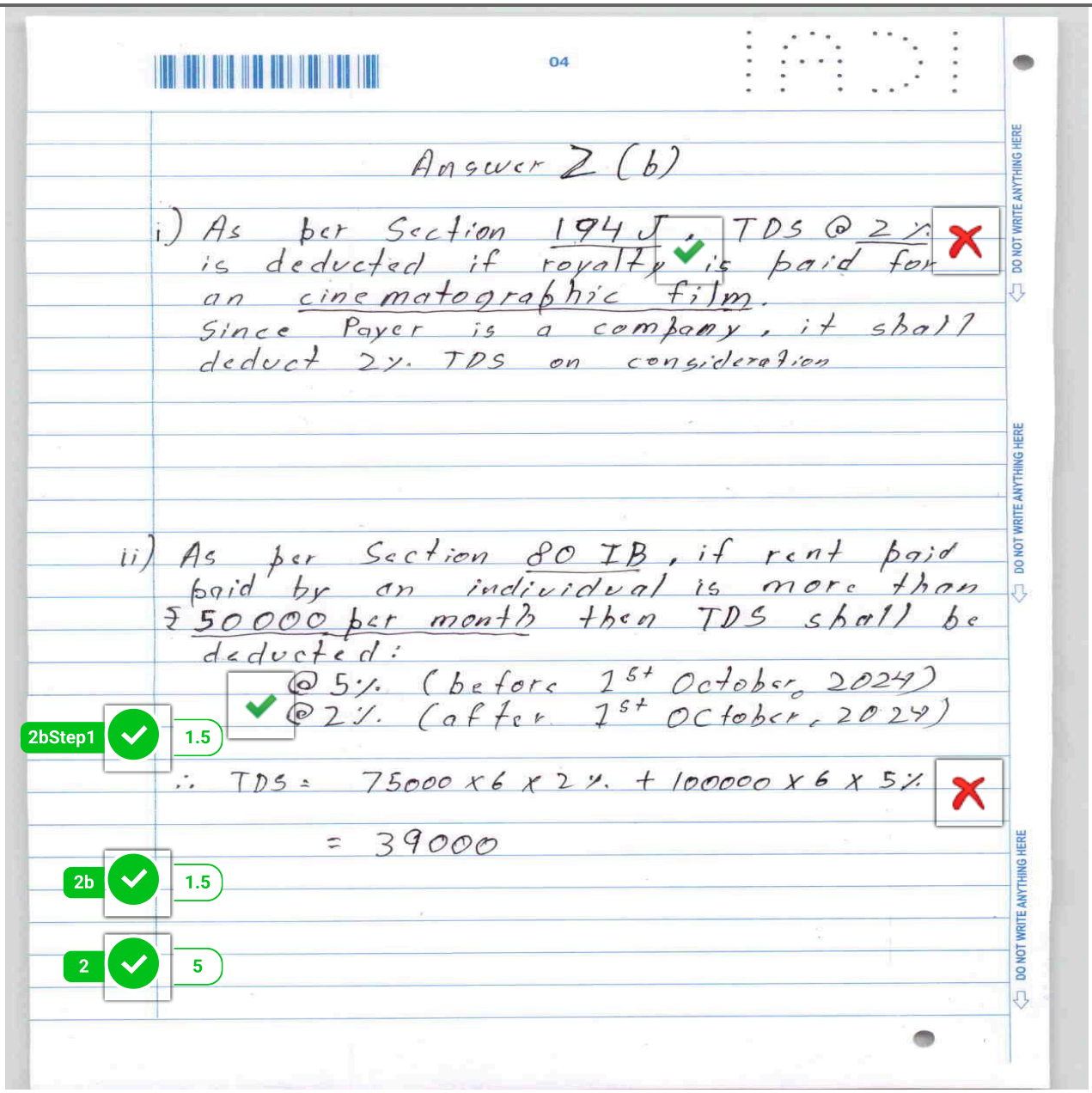
2aStep1 2

2aStep2 1.5

2a 3.5

# The Institute of Chartered Accountants of India

| | | | |
|---|---|---|---|
| **Code:** | **IN3AI638146** | **Total Marks:** | **35** |
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04

Answer 2 (b)

i) As per Section 194 J, TDS @ 2% is deducted if royalty is paid for an cinematographic film. Since Payer is a company, it shall deduct 2% TDS on consideration

ii) As per Section 80 IB, if rent paid paid by an individual is more than ₹ 50000 per month then TDS shall be deducted:

@ 5% (before 1st October, 2024)
@ 2% (after 1st October, 2024)

∴ TDS = 75000 x 6 x 2% + 100000 x 6 x 5%

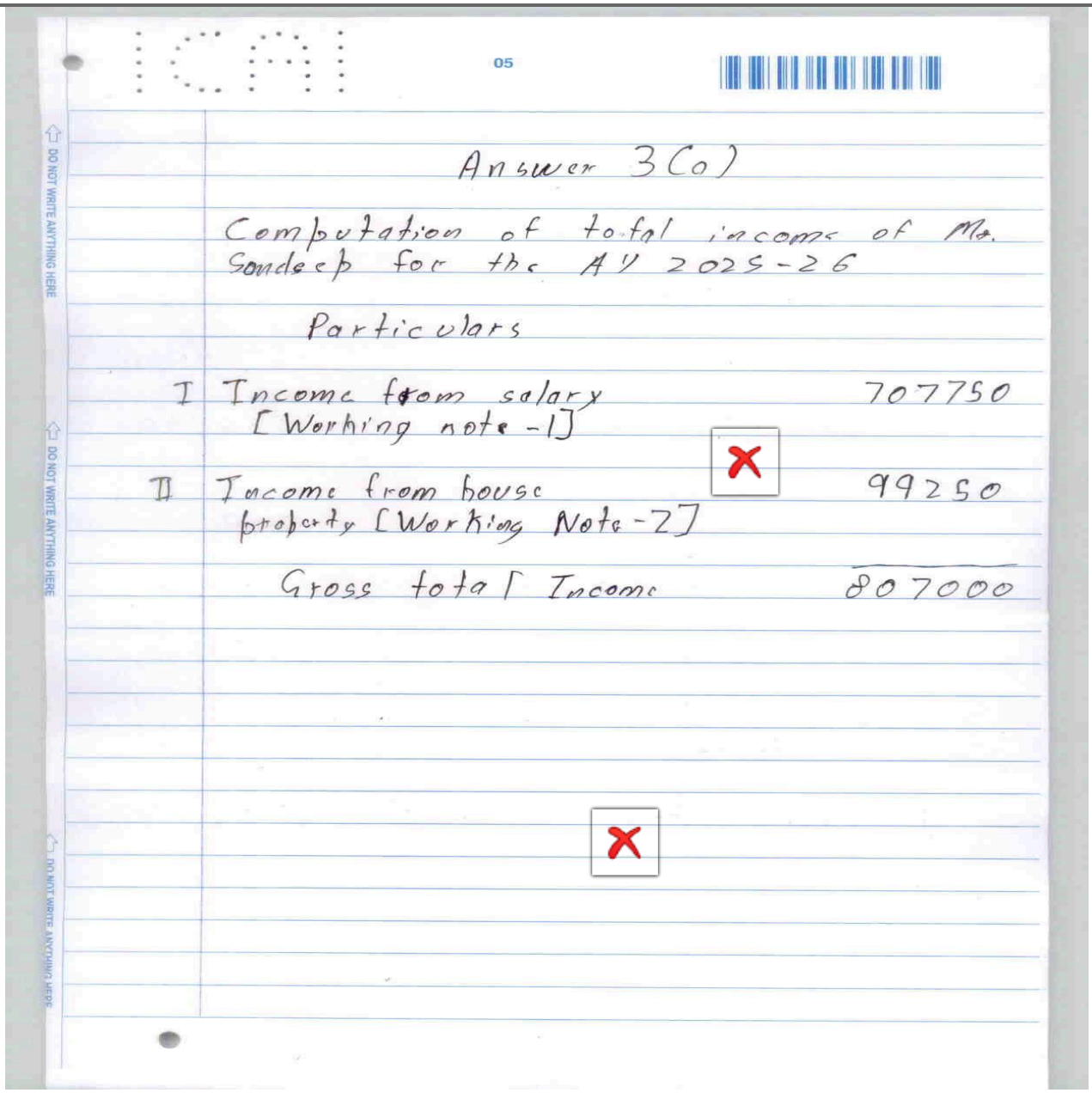
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2bStep1 1.5

2b 1.5

2 5



ICAI 05

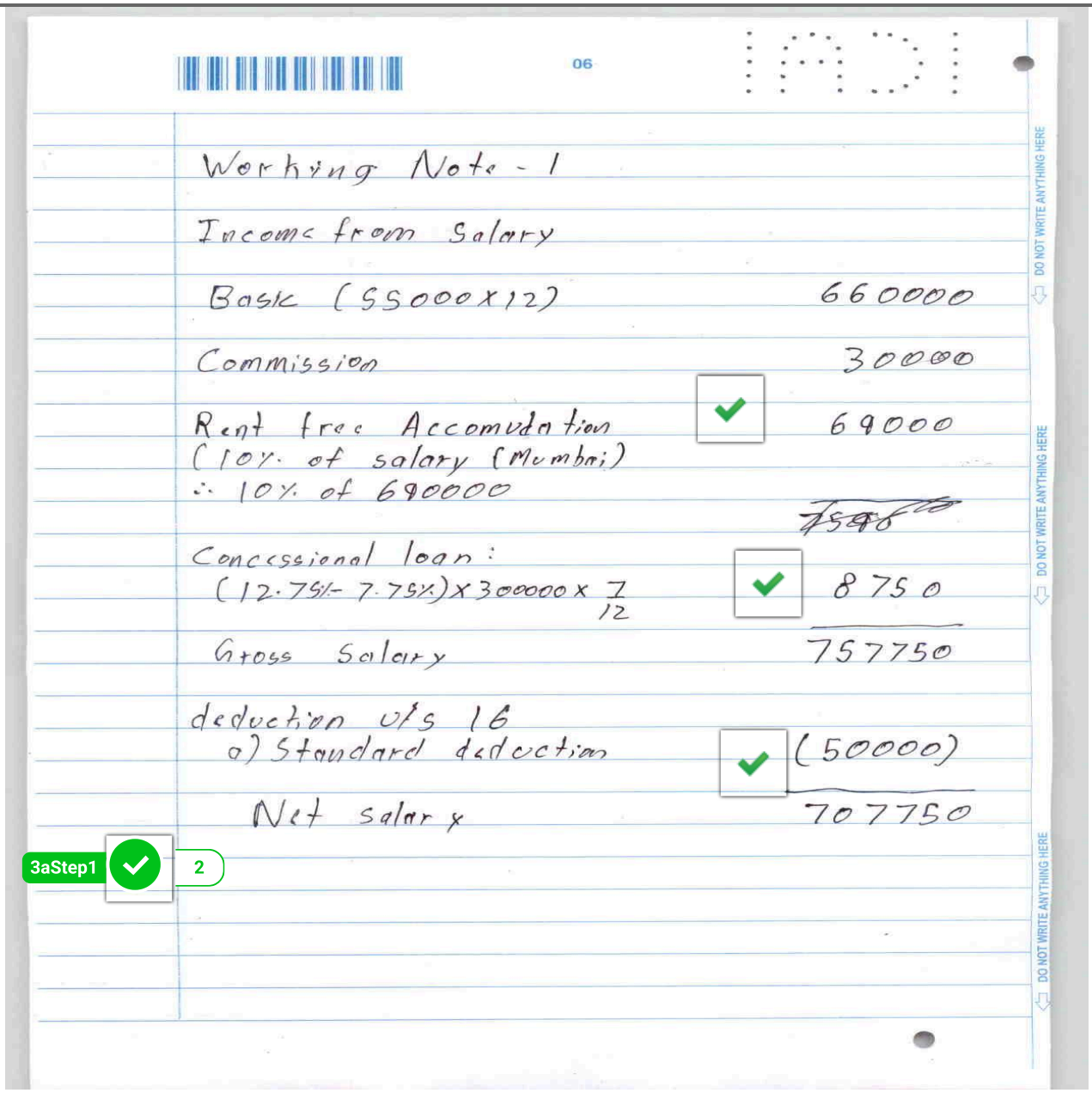
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Answer 3(a)

Computation of total income of Mr. Sandeep for the AY 2025-26

| | Particulars | |
|---|---|---|
| I | Income from salary [Working note -1] | 707750 |
| II | Income from house property [Working Note -2] | 99250 |
| | Gross total Income | 807000 |

| | | | |
|---|---|---|---|
| **Code:** | **IN3AI638146** | **Total Marks:** | **35** |
| **Subject :** | **03A Income Tax Law** | **Marks Obtained :** | 18 |



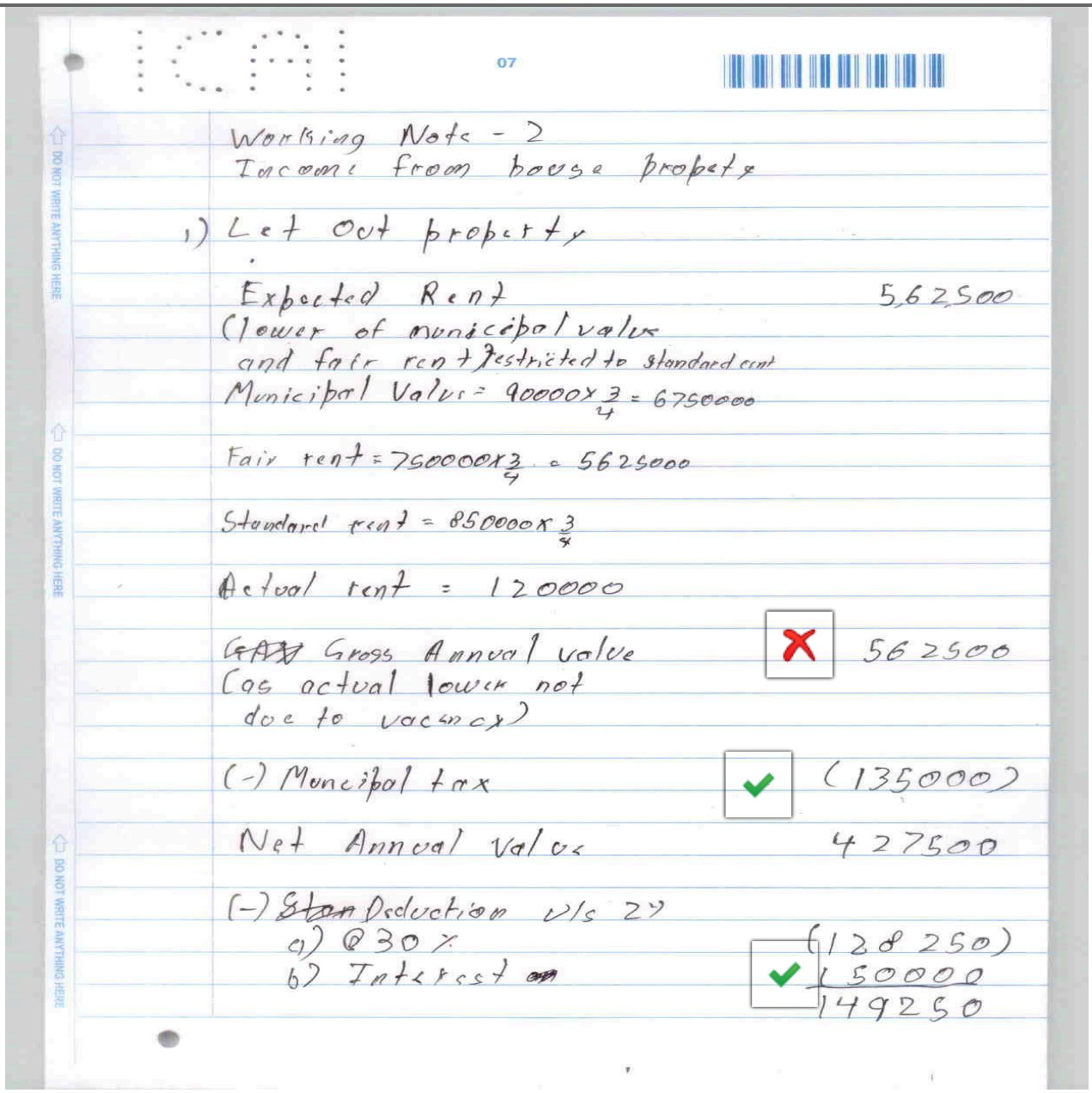
06

Working Note - 1

Income from Salary

| | | |
|---|---|---|
| Basic (55000 x 12) | | 660000 |
| Commission | | 30000 |
| Rent free Accomodation (10% of salary (Mumbai) ∴ 10% of 690000 | ✓ | 69000 |
| ~~7590~~ | | |
| Concessional loan: (12.75% - 7.75%) x 300000 x 7/12 | ✓ | 8750 |
| Gross Salary | | 757750 |
| deduction u/s 16 a) Standard deduction | ✓ | (50000) |
| Net salary | | 707750 |

3aStep1 ✓ 2



07

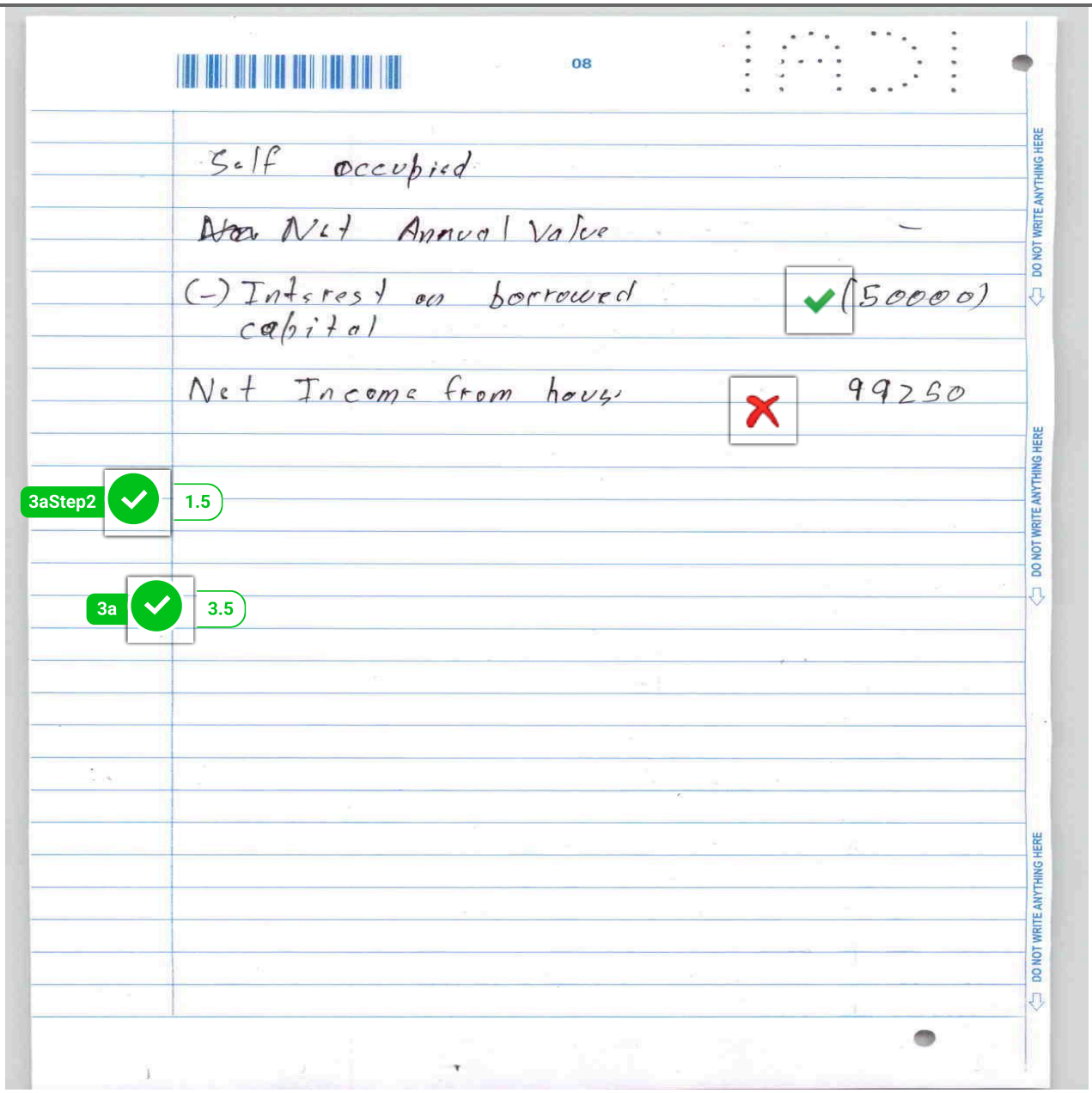
Working Note - 2
Income from house property

1) Let out property

| | | |
|---|---|---|
| Expected Rent (lower of municipal value and fair rent restricted to standard rent | | 562500 |
| Municipal Value = $900000 \times \frac{3}{4} = 675000$ | | |
| Fair rent = $750000 \times \frac{3}{4} = 562500$ | | |
| Standard rent = $850000 \times \frac{3}{4}$ | | |
| Actual rent = 120000 | | |
| Gross Annual value (as actual lower not due to vacancy) | ✗ | 562500 |
| (-) Municipal tax | ✓ | (135000) |
| Net Annual Value | | 427500 |
| (-) Deduction u/s 24 | | |
| a) @ 30 % | | (128250) |
| b) Interest | ✓ | 150000 |
| | | 149250 |

# The Institute of Chartered Accountants of India

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| **Code:** | **IN3AI638146** | **Total Marks:** | **35** |
| **Subject :** | **03A Income Tax Law** | **Marks Obtained :** | 18 |



08

Self occupied

Net Annual Value —

(-) Interest on borrowed capital (50000)

Net Income from house 99250

3aStep2 1.5

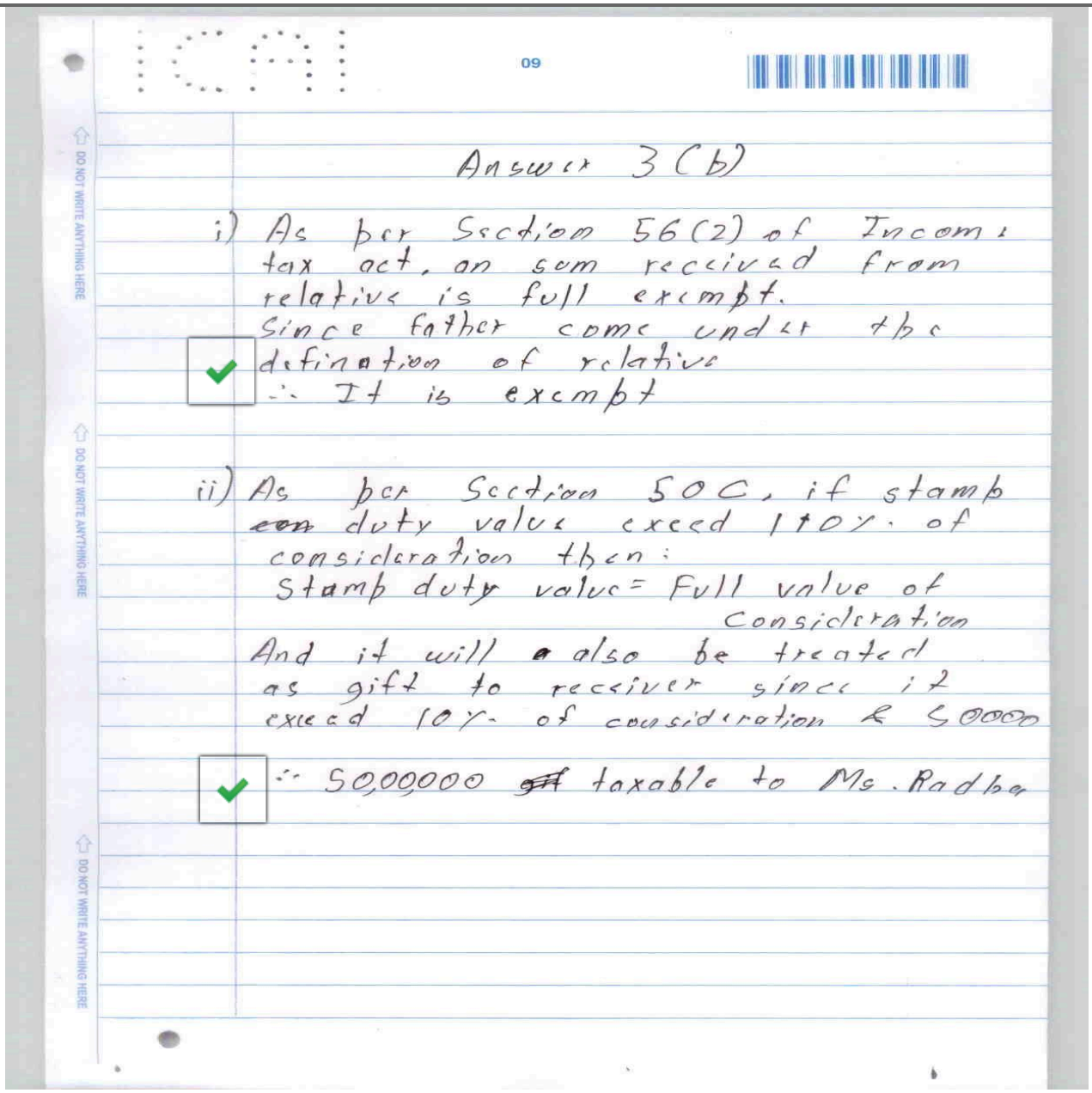
3a 3.5

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| **Subject :** | **03A Income Tax Law** | **Marks Obtained :** | 18 |



09

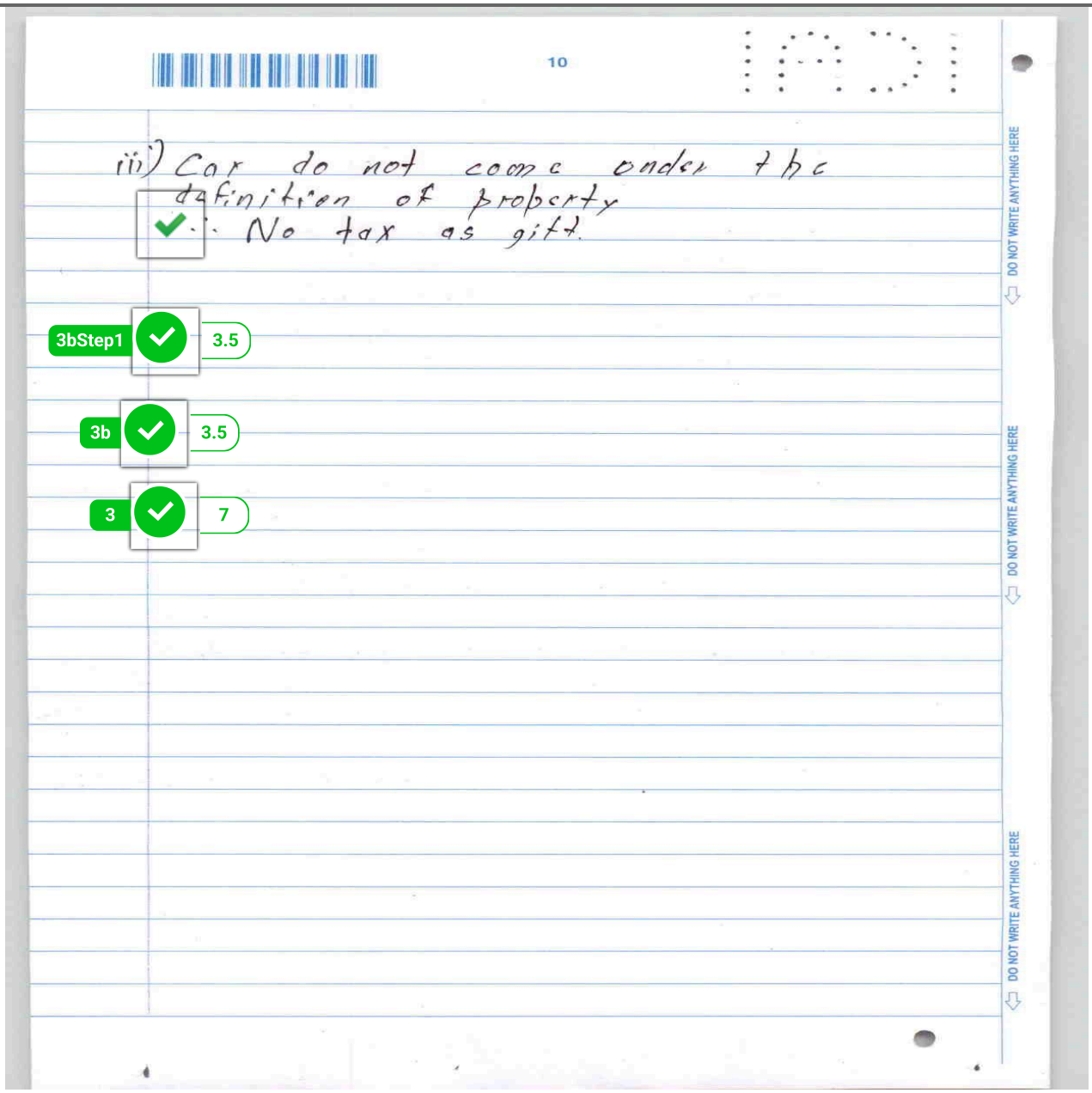
Answer 3 (b)

i) As per Section 56(2) of Income tax act, any sum received from relative is full exempt.
Since father come under the defination of relative
∴ It is exempt

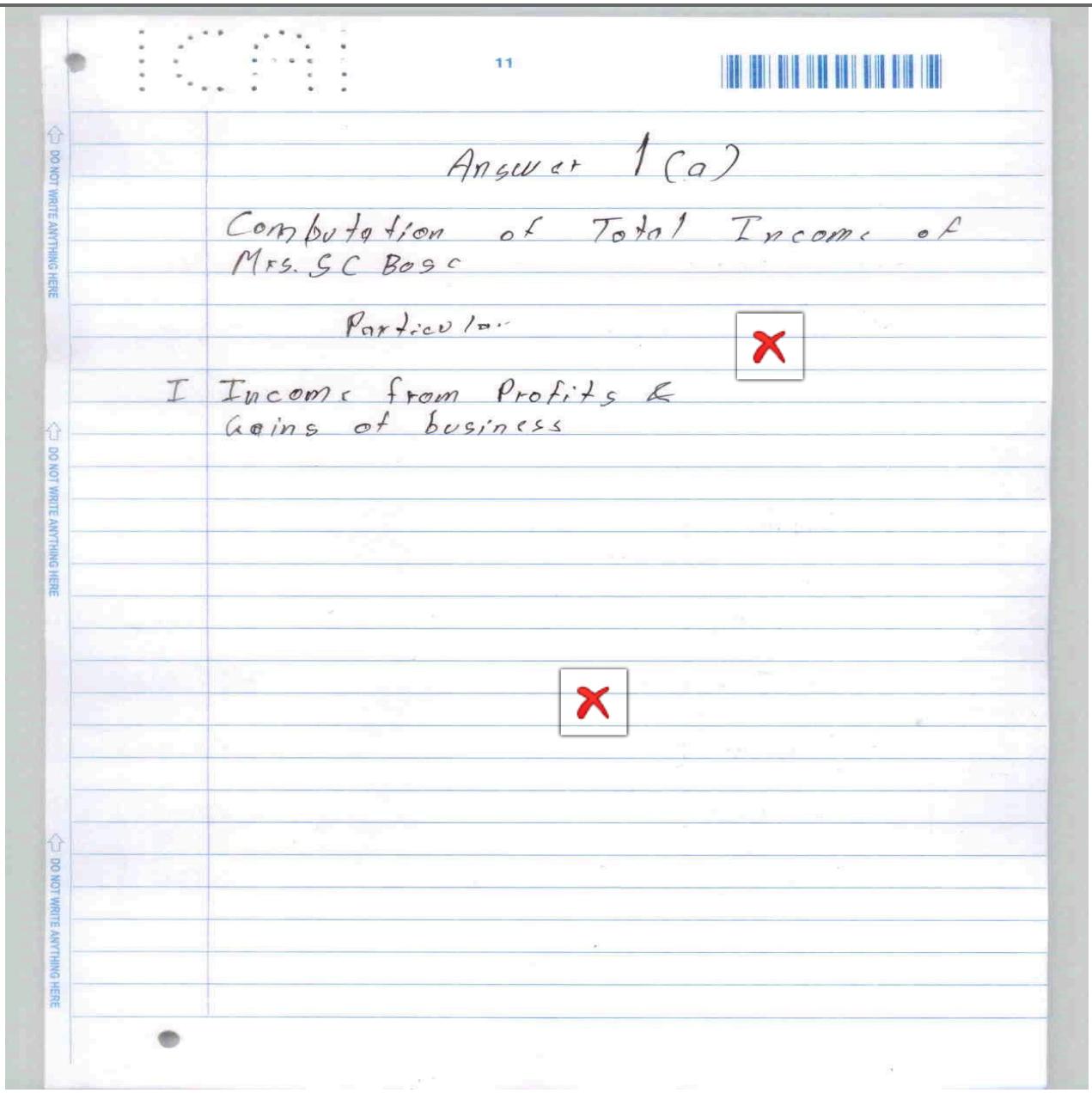
ii) As per Section 50C, if stamp duty value exceed 110% of consideration then:
Stamp duty value = Full value of consideration
And it will also be treated as gift to receiver since it exceed 10% of consideration & 50000
∴ 50,00,000 taxable to Ms. Radha

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| | | | |
|---|---|---|---|
| Code: | IN3AI638146 | Total Marks: | 35 |
| Subject : | 03A Income Tax Law | Marks Obtained : | 18 |



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| **Subject :** | **03A Income Tax Law** | **Marks Obtained :** | 18 |



ICAI 11

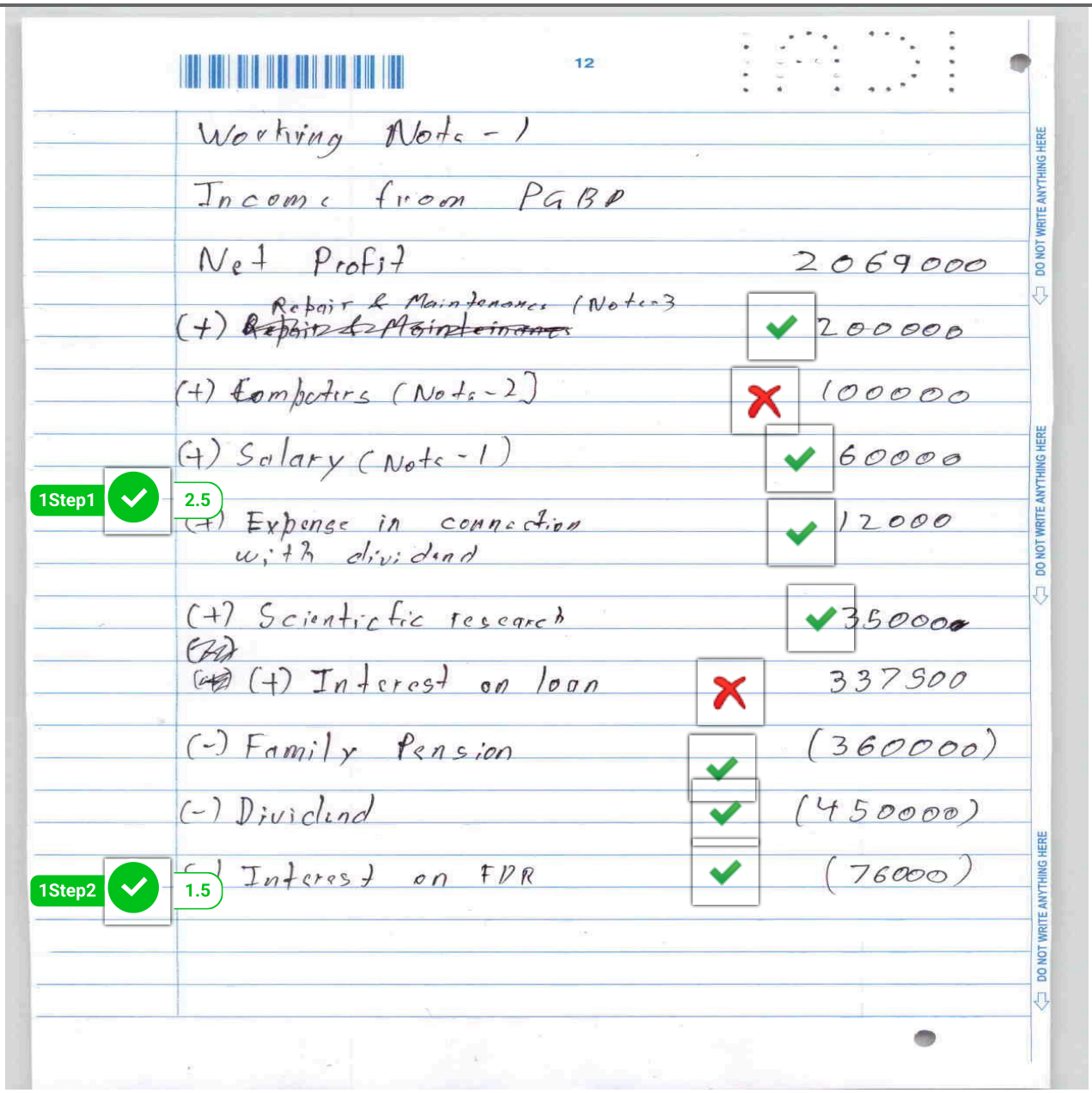
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Answer 1(a)

Computation of Total Income of Mrs. SC Bose

Particulars

I Income from Profits & Gains of business



12

Working Note - 1

Income from PGBP

| | | |
|---|---|---|
| Net Profit | | 2069000 |
| (+) ~~Repair & Maintenance~~ Repair & Maintenance (Note-3 | ✓ | 200000 |
| (+) ~~Computers~~ (Note-2) | ✗ | 100000 |
| (+) Salary (Note-1) | ✓ | 60000 |
| (+) Expense in connection with dividend | ✓ | 12000 |
| (+) Scientific research | ✓ | 350000 |
| (+) Interest on loan | ✗ | 337500 |
| (-) Family Pension | ✓ | (360000) |
| (-) Dividend | ✓ | (450000) |
| (-) Interest on FDR | ✓ | (76000) |

1Step1 ✓ 2.5

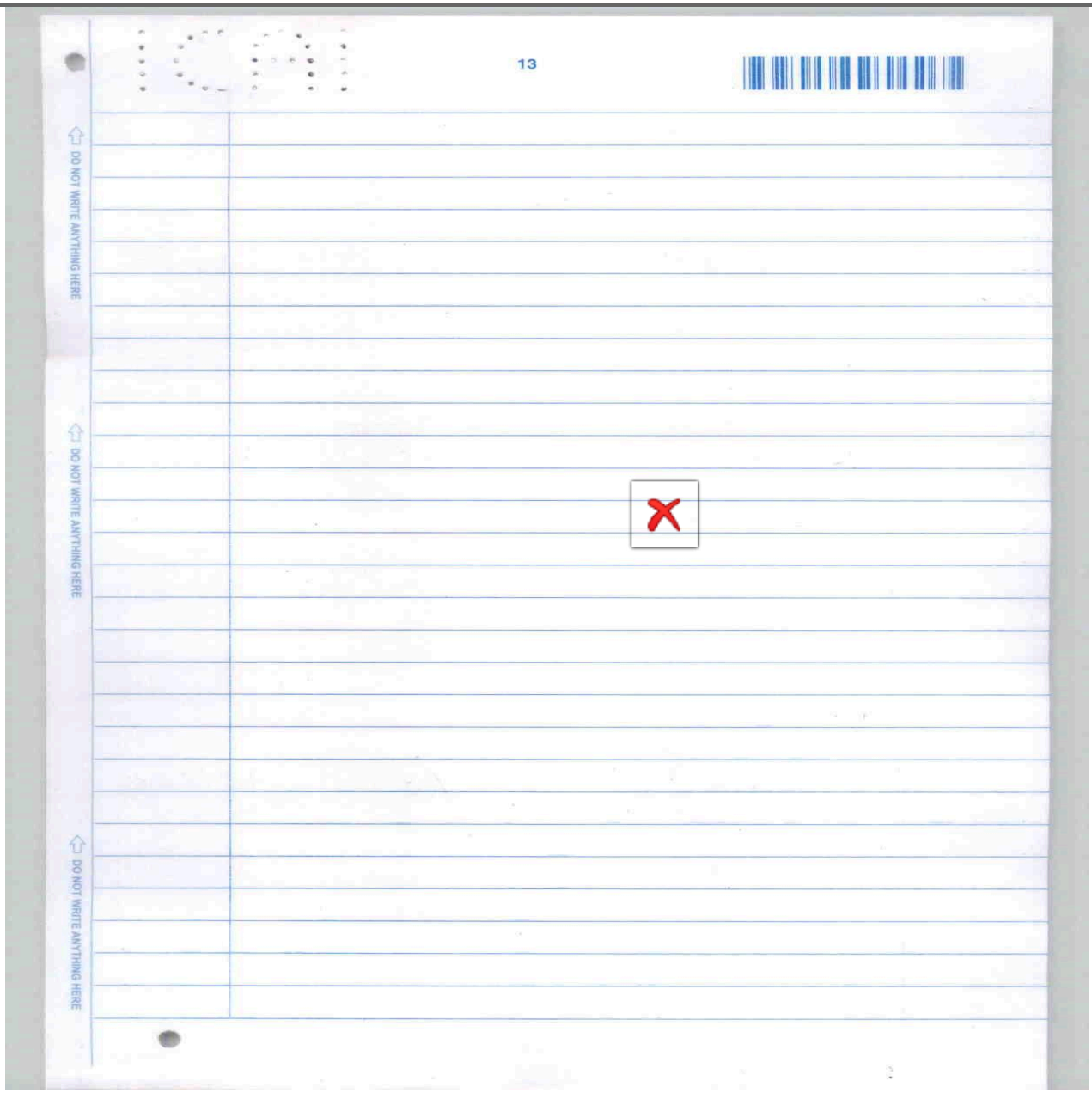
1Step2 ✓ 1.5

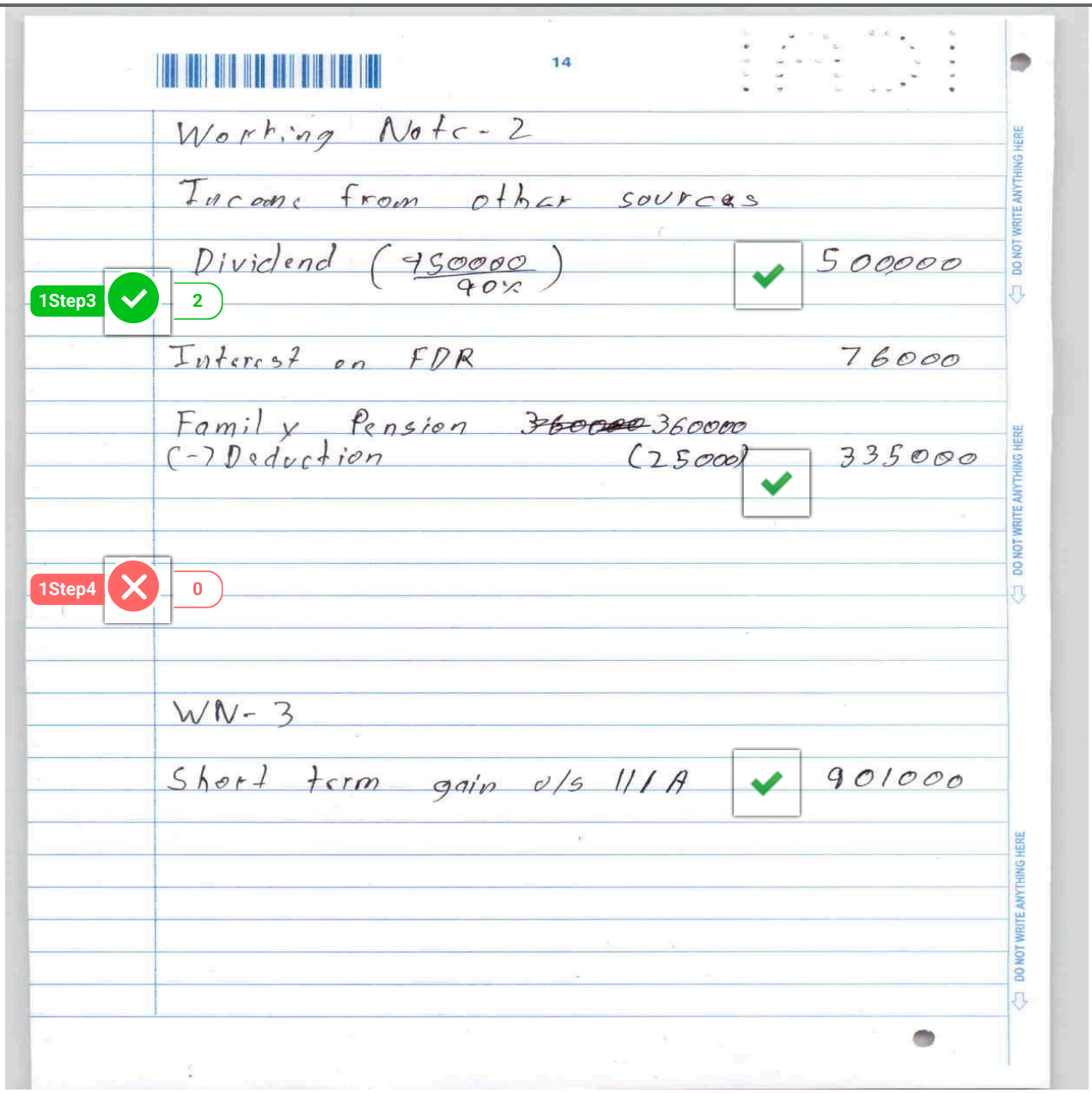
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| **Code:** | **IN3AI638146** | **Total Marks:** | **35** |
| **Subject :** | **03A Income Tax Law** | **Marks Obtained :** | 18 |





14

Working Note - 2

Income from other sources

Dividend (4500000 / 90%) ✓ 500000

1Step3 ✓ 2

Interest on FDR 76000

Family Pension ~~360000~~ 360000

(-) Deduction (25000) ✓ 335000

1Step4 ✗ 0

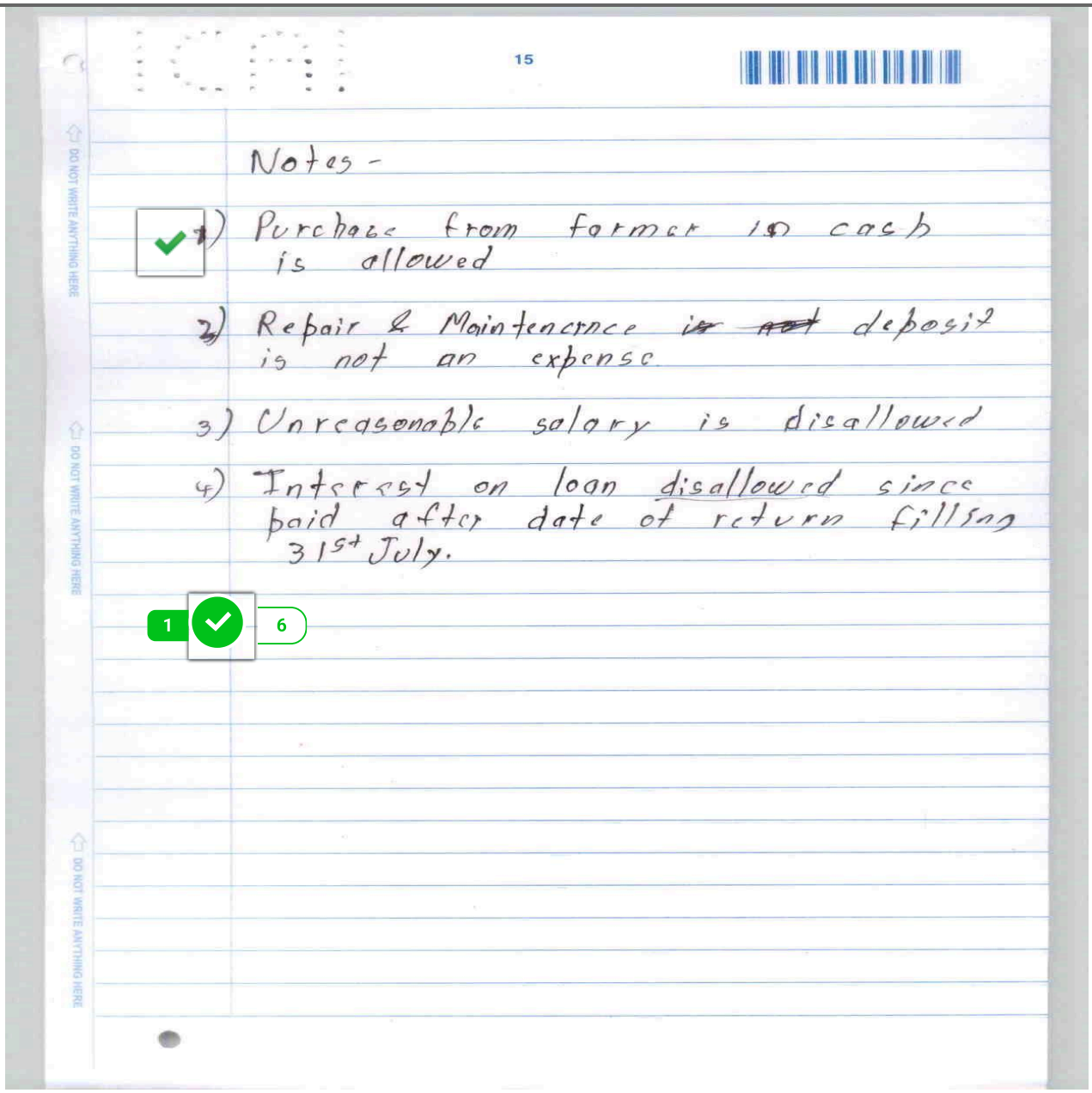
WN - 3

Short term gain u/s 111A ✓ 901000

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15

Notes -

1) Purchase from farmer in cash is allowed

2) Repair & Maintenance ~~is not~~ deposit is not an expense.

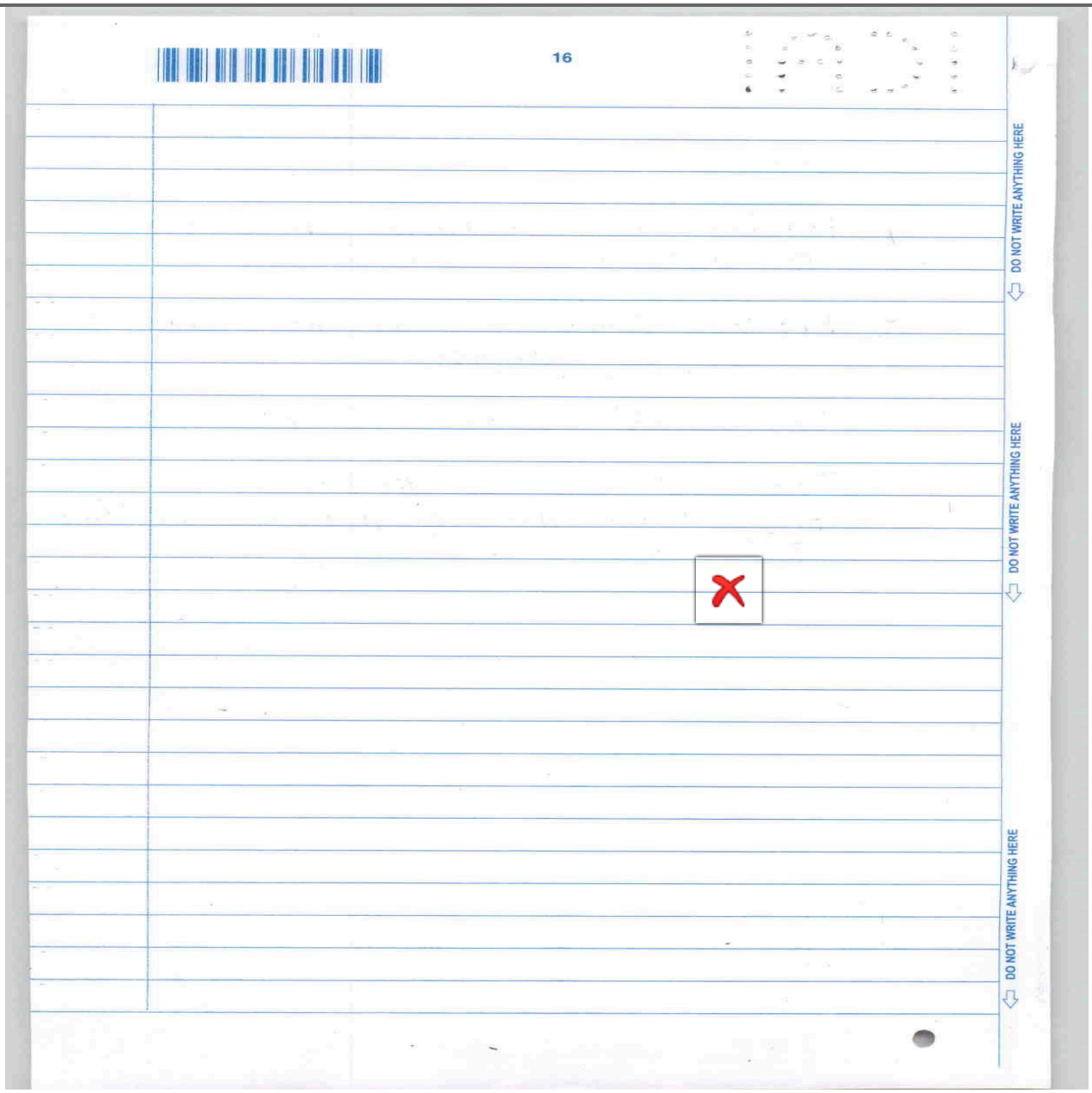
3) Unreasonable salary is disallowed

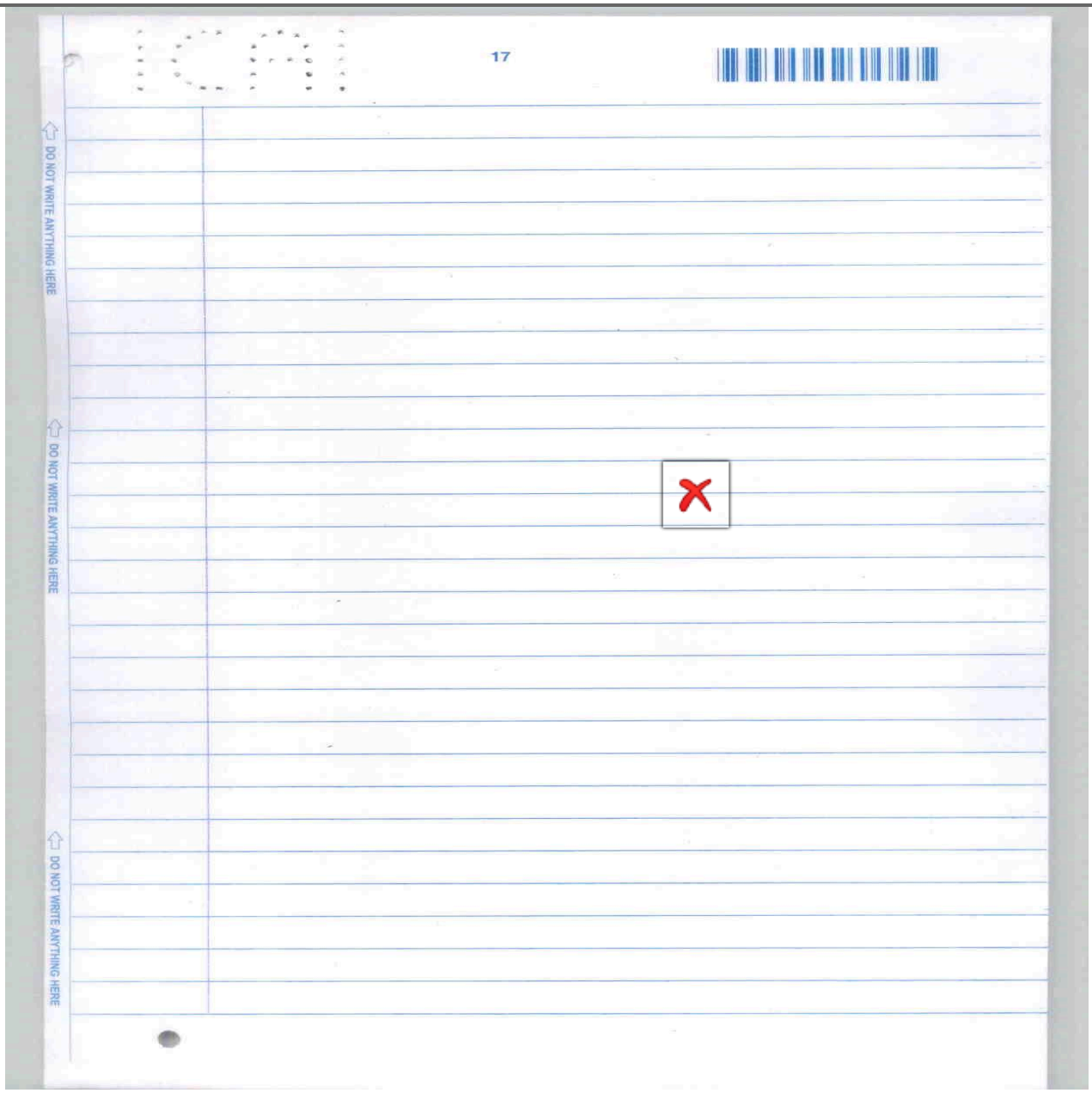
4) Interest on loan disallowed since paid after date of return filling 31st July.

1 6

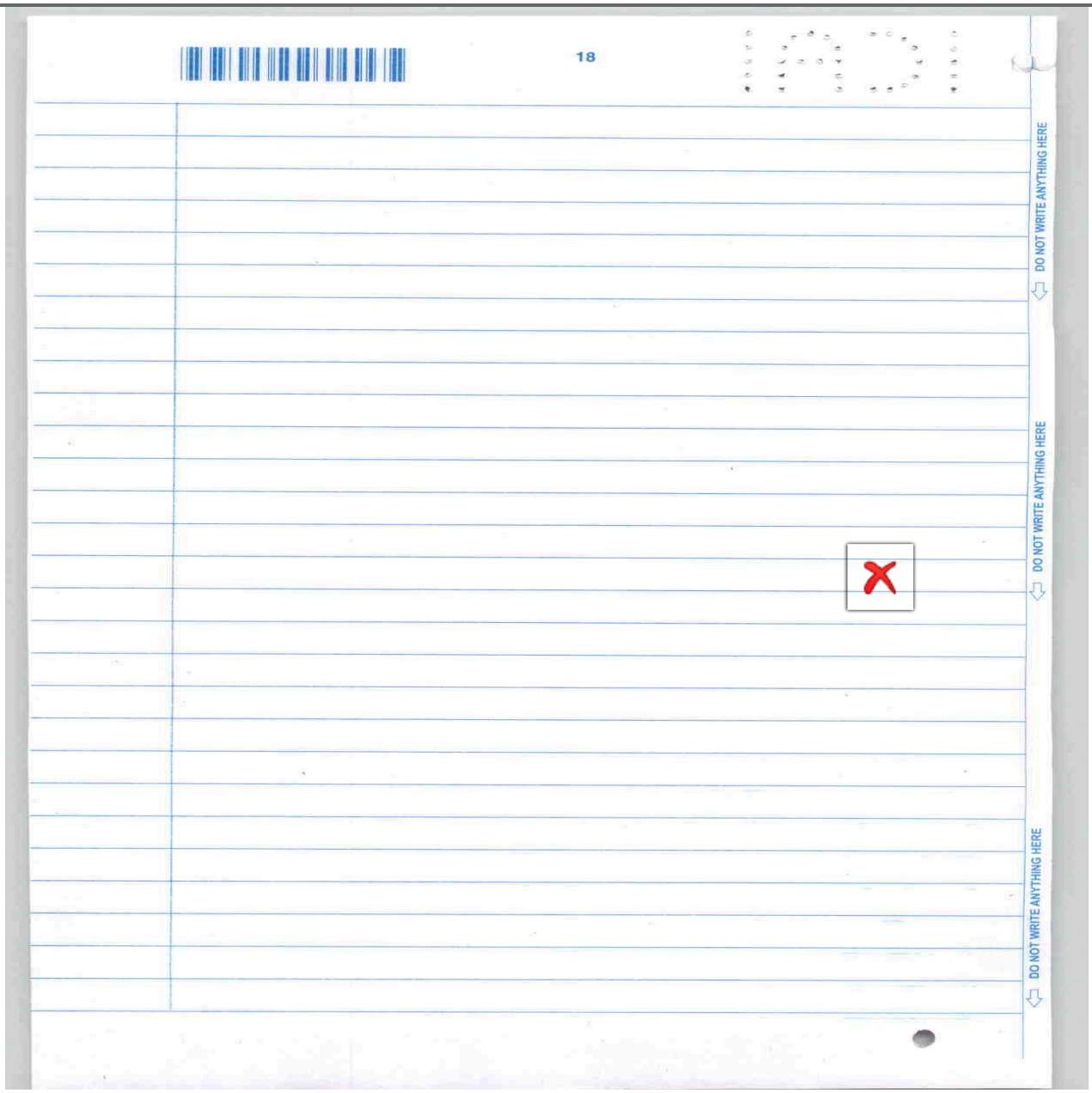
# The Institute of Chartered Accountants of India

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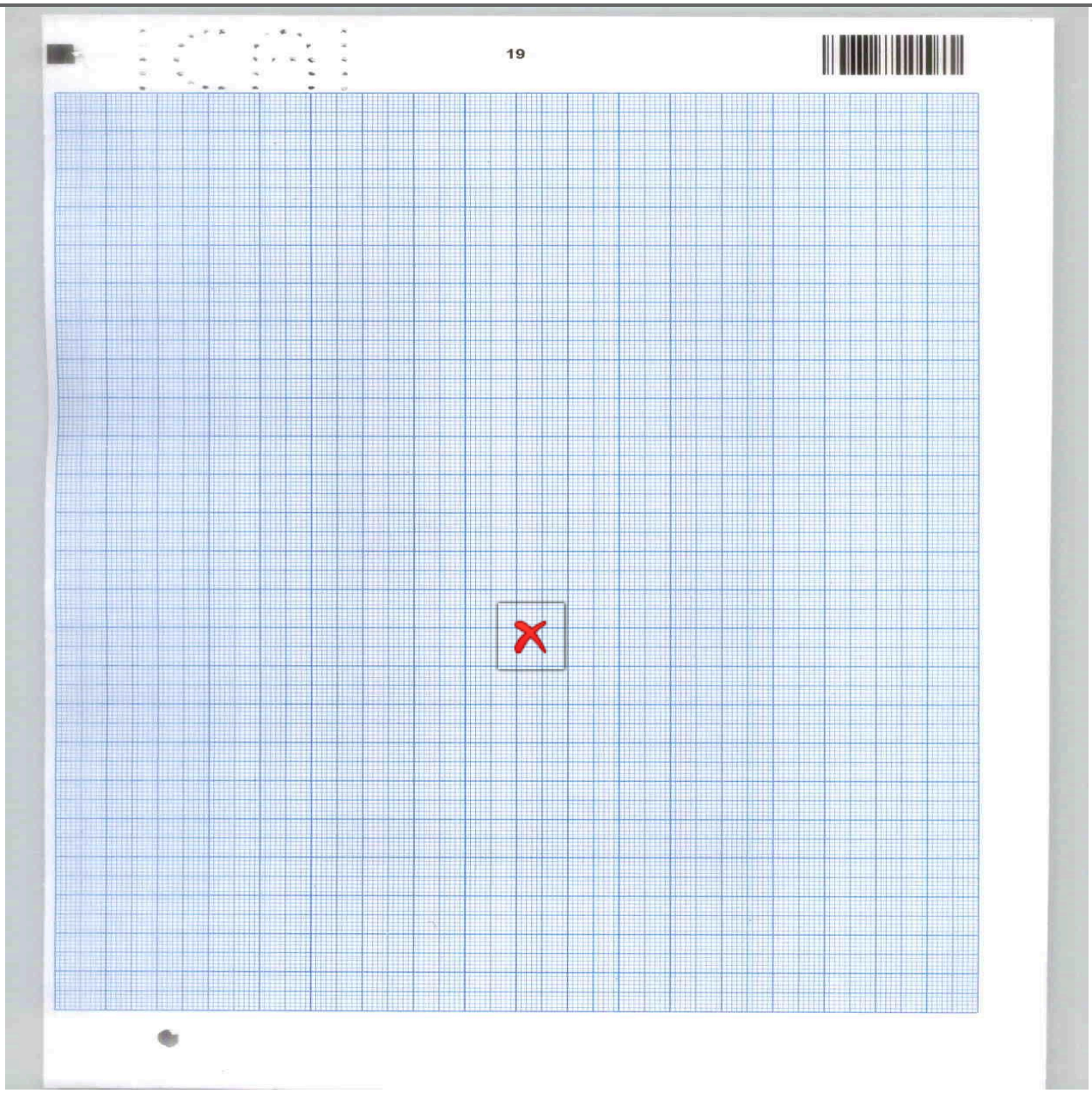



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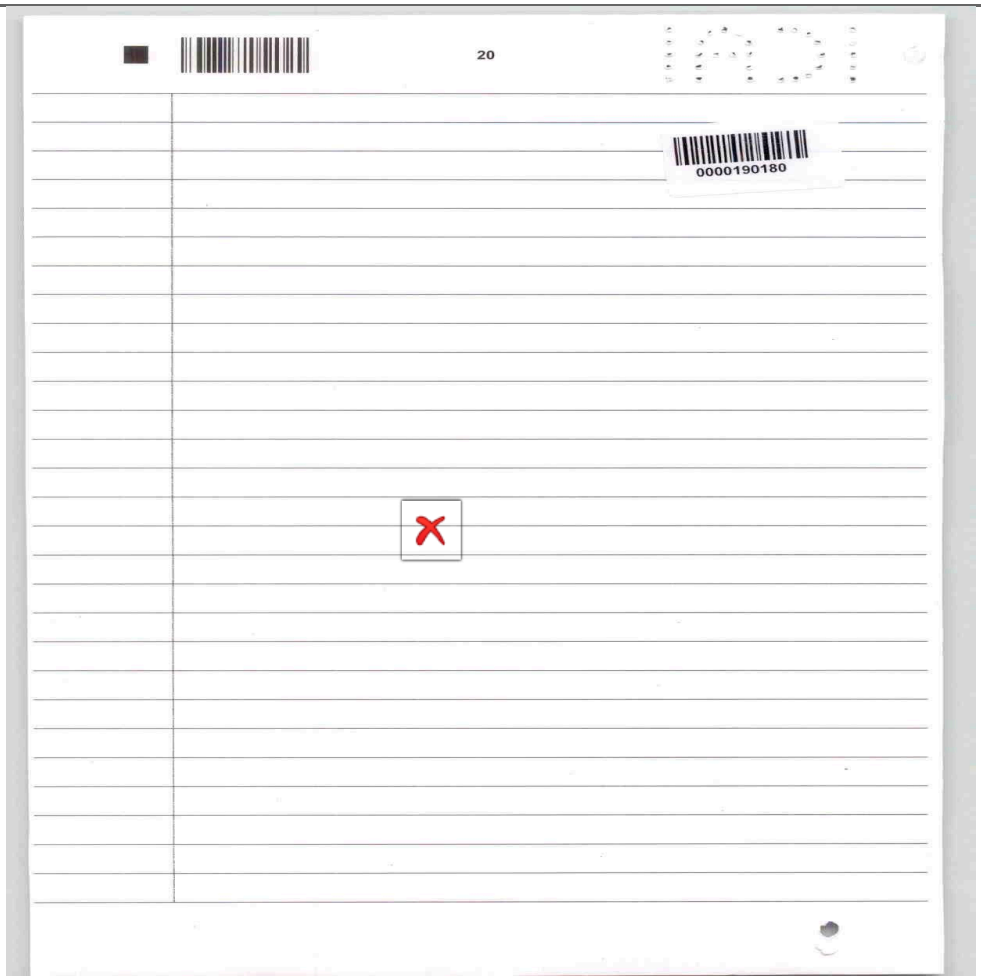
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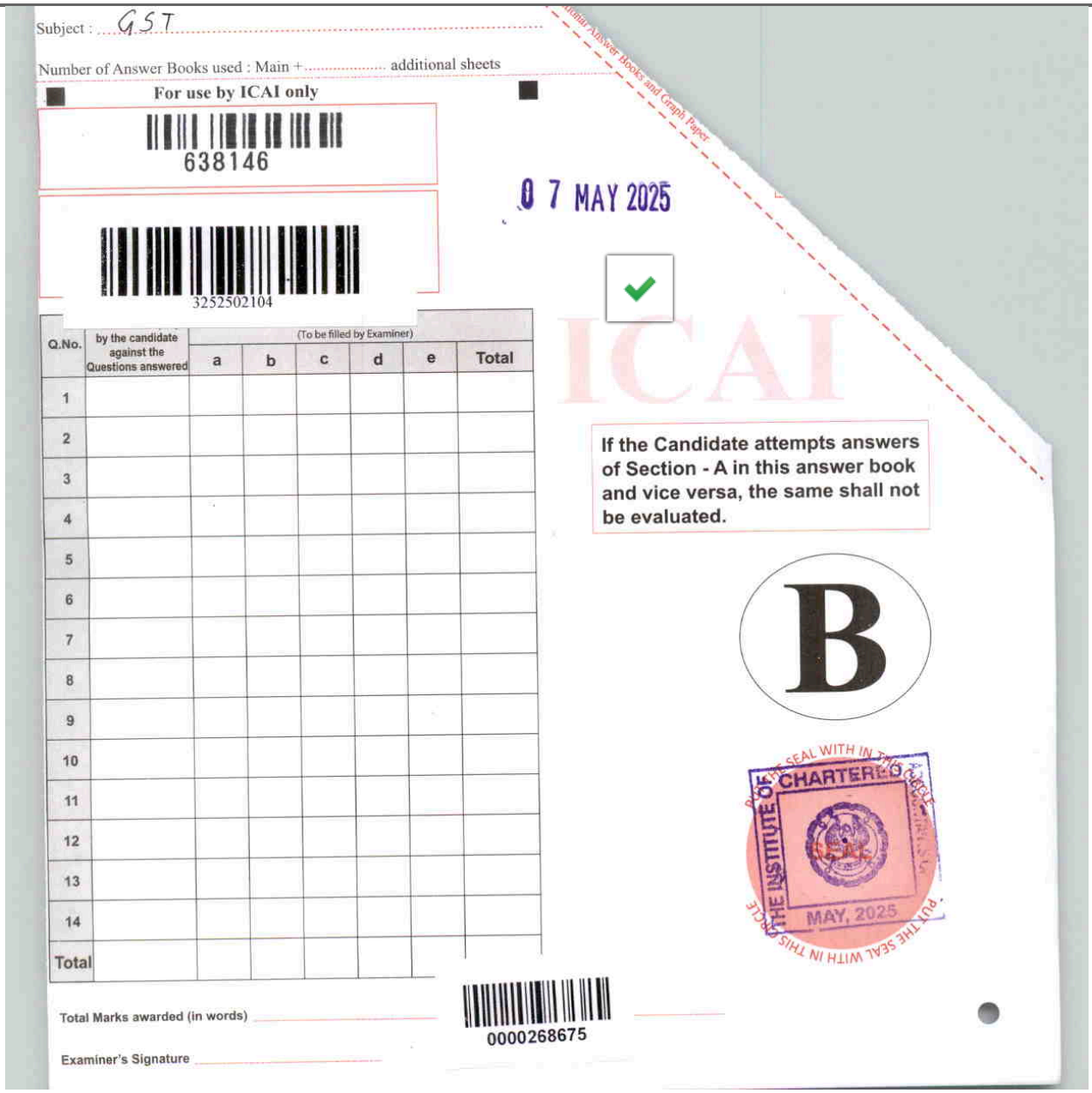


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# The Institute of Chartered Accountants of India

| | | | |
|---|---|---|---|
| **Code:** | **IN3BG638146** | **Total Marks:** | **35** |
| **Subject :** | **03B Goods and Services Tax** | **Marks Obtained :** | 16 |



Subject : GST

Number of Answer Books used : Main + ..... additional sheets

**For use by ICAI only**

638146

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07 MAY 2025

| Q.No. | by the candidate against the Questions answered | (To be filled by Examiner) a | b | c | d | e | Total |
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| Total | | | | | | | |

If the Candidate attempts answers of Section - A in this answer book and vice versa, the same shall not be evaluated.

B

THE INSTITUTE OF CHARTERED ACCOUNTANTS MAY, 2025

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Total Marks awarded (in words) _____

Examiner's Signature _____

# The Institute of Chartered Accountants of India

| | | | |
|---|---|---|---|
| **Code:** | **IN3BG638146** | **Total Marks:** | **35** |
| **Subject :** | **03B Goods and Services Tax** | **Marks Obtained :** | 16 |

**UCTIONS TO THE CANDIDATE**

**'s are not to be written on this page**

ould be written in figures and words in the allotted space at the right hand corner of the ly and nowhere else including additional answer book/s and graph paper.

ber should be written in the box in numbers and darken the appropriate circles of the OMR n provided in the right hand corner of the cover page with **Black / Blue** ball point pen.

ll particulars such as name of Examination, Paper No. and subject at the appropriate space at the left hand upper corner.

4.Remove the Bar Code sticker of the particular paper from the Attendance sheet and affix the same on the box provided in the right hand corner of the cover page.

5.Since a machine will read the Roll no., please check and ensure that Roll number written in numbers, words and circles darkened are correct. In case any candidate fills this information wrongly, Institute will not take any responsibility for rectifying the mistake.

6.The answers should be written neatly and legibly

7.The answer to each question must be commenced on a fresh page and question number prominently written at the top of each answer. Alternatively, the question number should be distinctly written in the margin.

8.The answer to each question in all parts should be fully completed in one page or in a consecutive set of pages, before the next question is taken up.

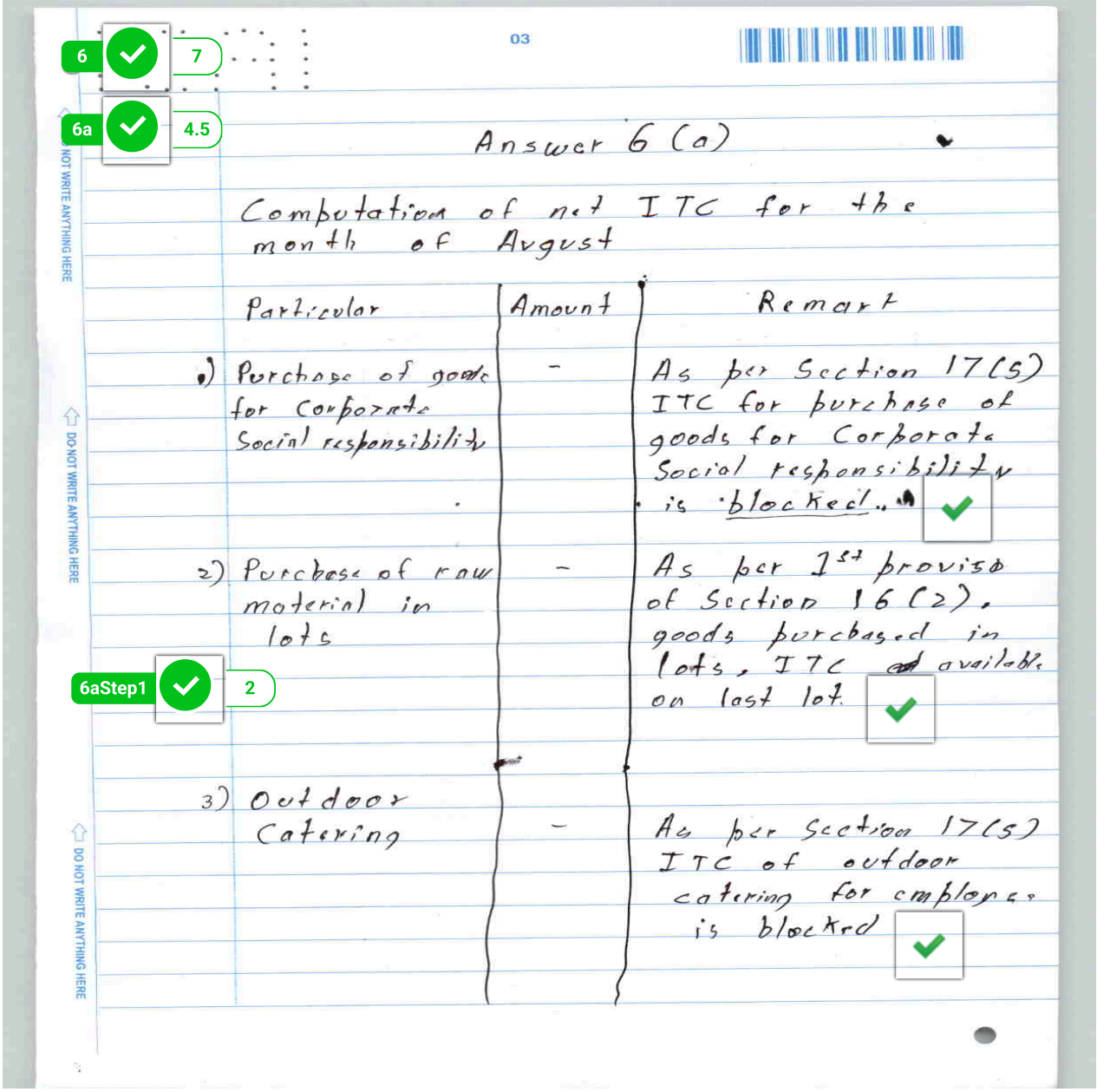
**9.The candidates are required to write answers of Section A in the answer booklet with the marking (A) on the cover page and answers of Section B in the answer booklet with the marking (B) on the cover page. In case a candidate writes the answers in wrong set of answer books the same will be not be valued and no correspondence in this regard will be entertained.**

10.Writing of Roll number in place/s other than the space provided for the purpose or writing distinguishing mark, symbols like "OM", "Sri", "Jesus", "786", etc., will tantamount to adoption of "unfair means"

11. Before submission of answer book to the invigilator take care to score out (X) blank pages, if any, that you might have left.

6 ✓ 7

6a ✓ 4.5



03

Answer 6 (a)

Computation of net ITC for the month of August

| Particular | Amount | Remark |
|---|---|---|
| 1) Purchase of goods for Corporate Social responsibility | - | As per Section 17(5) ITC for purchase of goods for Corporate Social responsibility is blocked. ✓ |
| 2) Purchase of raw material in lots | - | As per 1st proviso of Section 16(2), goods purchased in lots, ITC available on last lot. ✓ |
| 3) Outdoor Catering | - | As per Section 17(5) ITC of outdoor catering for employees is blocked ✓ |

6aStep1 ✓ 2

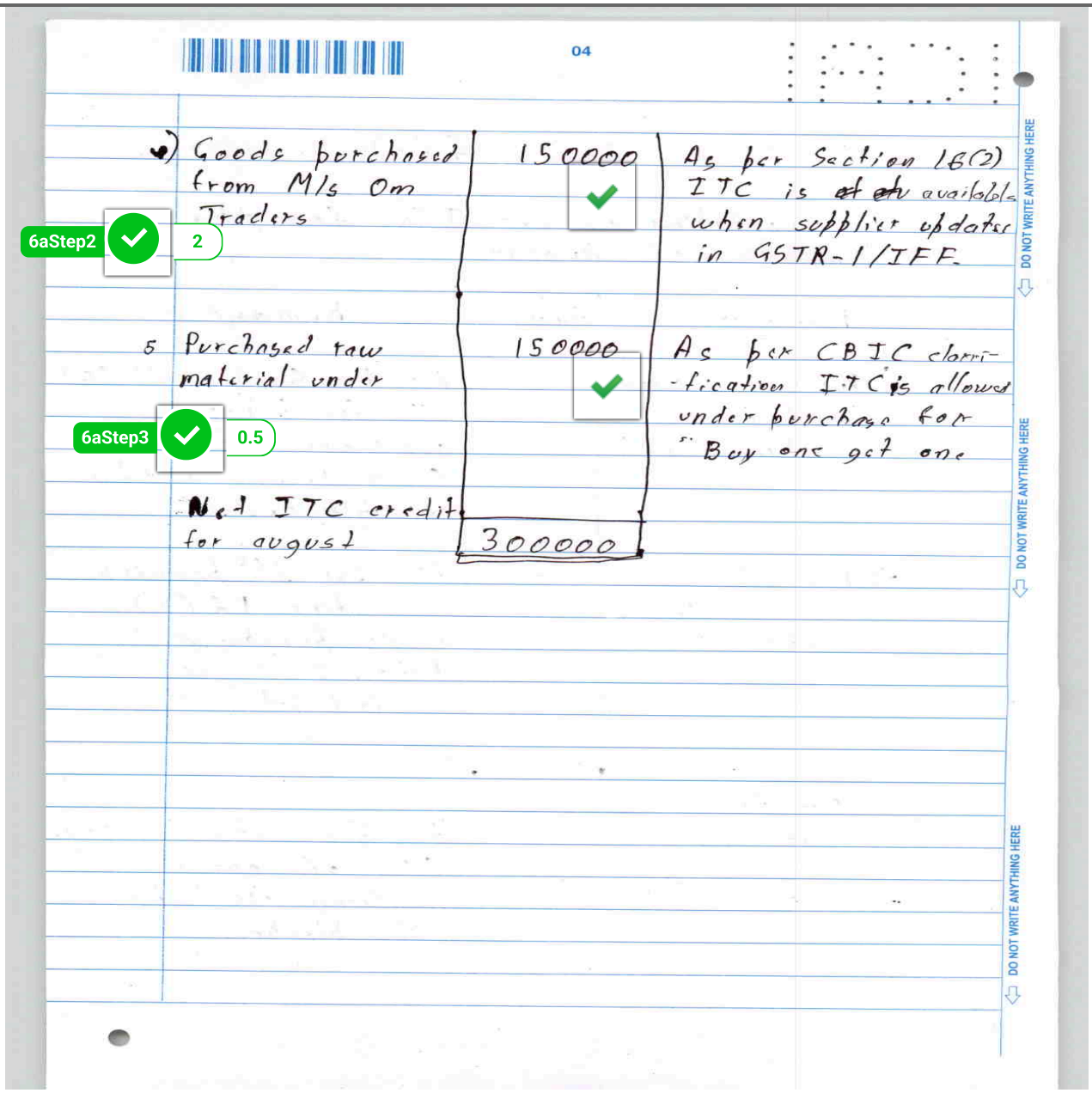
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| **Code:** | **IN3BG638146** | **Total Marks:** | **35** |
| **Subject :** | **03B Goods and Services Tax** | **Marks Obtained :** | 16 |



04

| | | |
|---|---|---|
| 4) Goods purchased from M/s Om Traders | 150000 ✔ | As per Section 16(2) ITC is ~~at~~ ~~the~~ available when supplier updates in GSTR-1/IFF. |
| 5 Purchased raw material under | 150000 ✔ | As per CBIC clarification ITC is allowed under purchase for "Buy one get one |
| Net ITC credit for august | 300000 | |

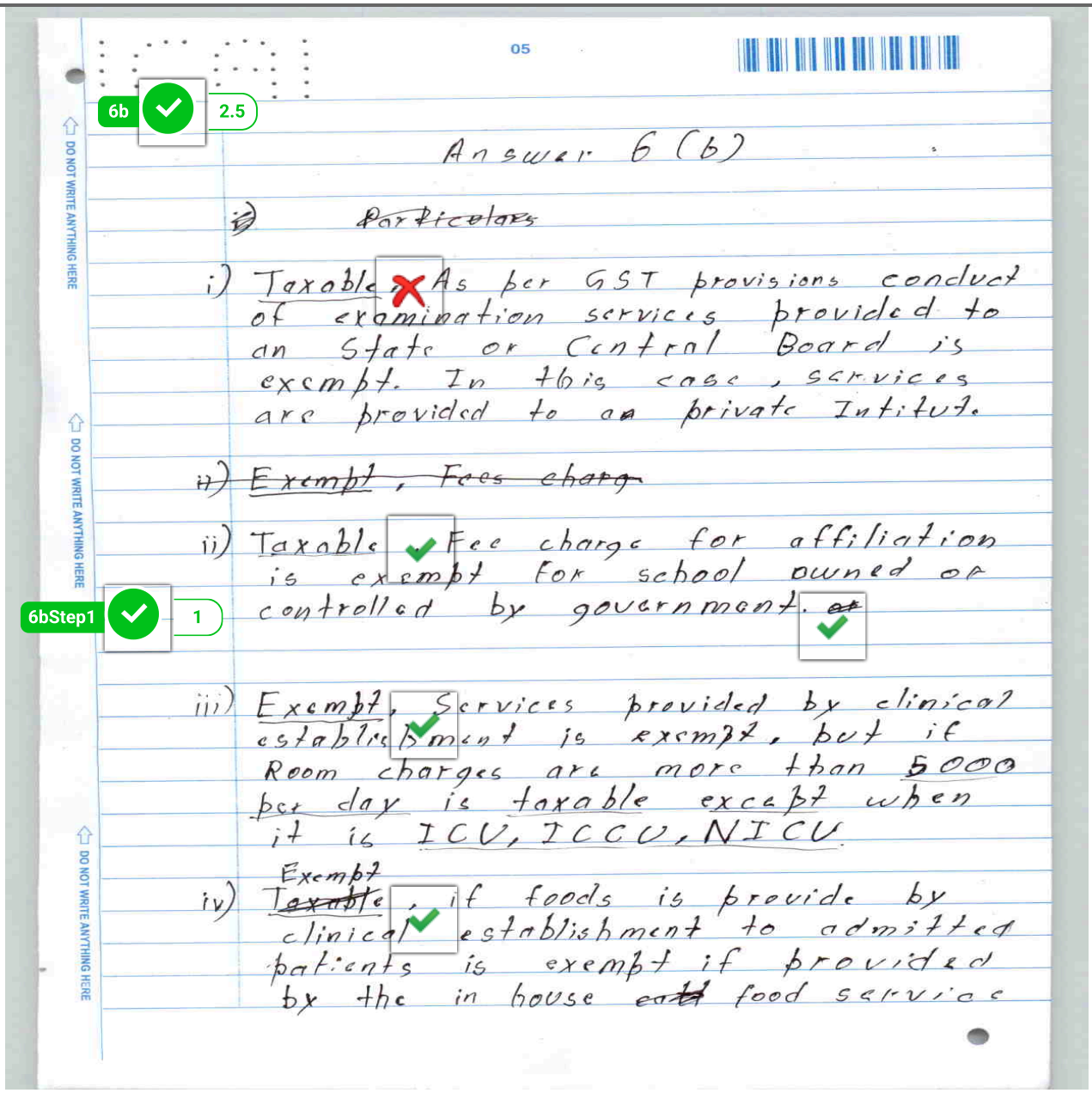
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6aStep3 ✔ 0.5

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05

6b 2.5

Answer 6 (b)

~~i)~~ ~~Particulars~~

i) Taxable, As per GST provisions conduct of examination services provided to an State or Central Board is exempt. In this case, services are provided to a private Intitut.

~~ii) Exempt, Fees charg~~

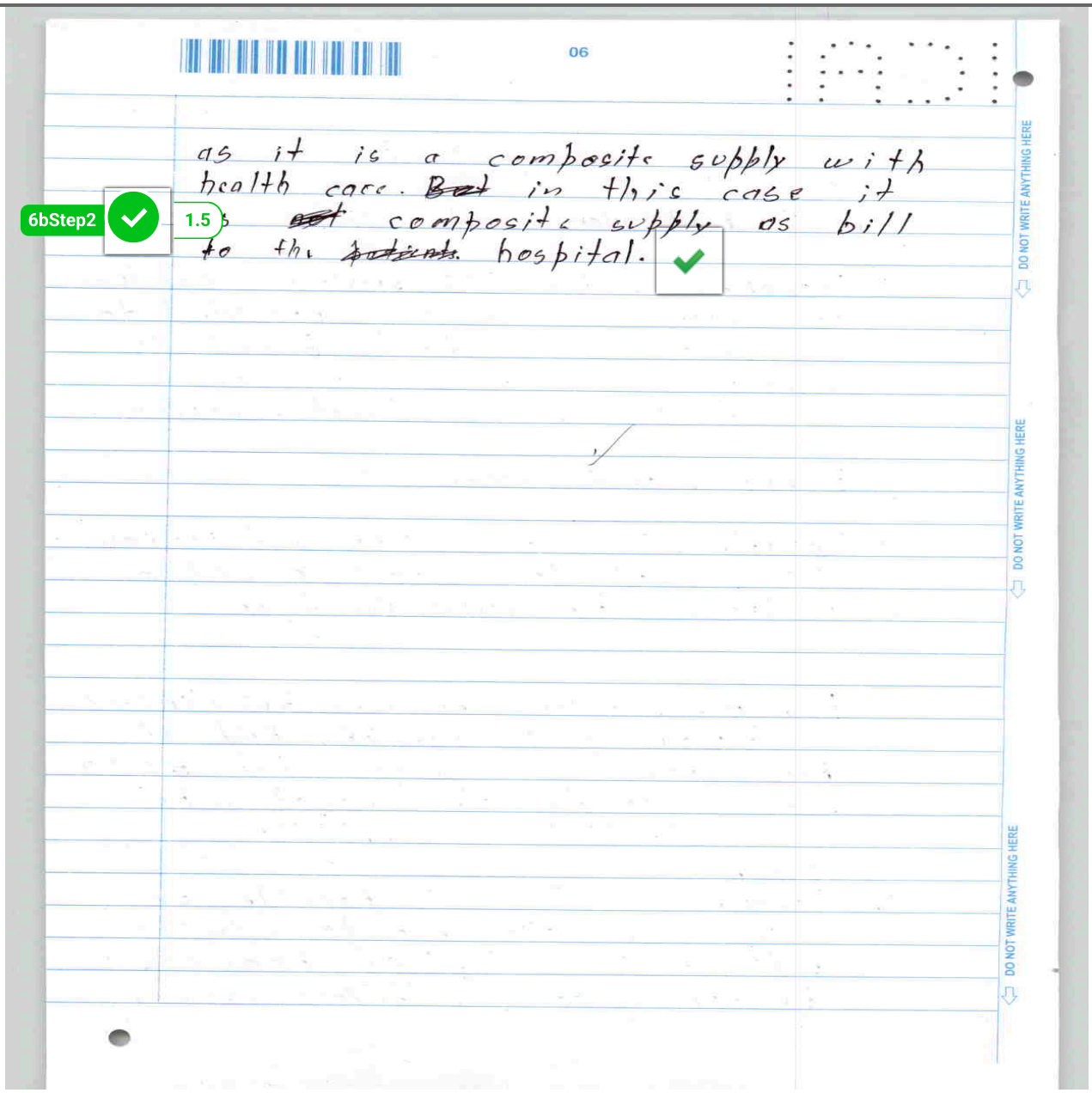
ii) Taxable Fee charge for affiliation is exempt for school owned or controlled by government. ~~of~~

6bStep1 1

iii) Exempt, Services provided by clinical establishment is exempt, but if Room charges are more than 5000 per day is taxable except when it is ICU, ICCU, NICU.

iv) ~~Taxable~~ Exempt, if foods is provide by clinical establishment to admitted patients is exempt if provided by the in house ~~cafe~~ food service

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06

as it is a composite supply with health care. ~~But~~ in this case it ~~is~~ composite supply as bill to the ~~patients~~ hospital.

6bStep2 1.5

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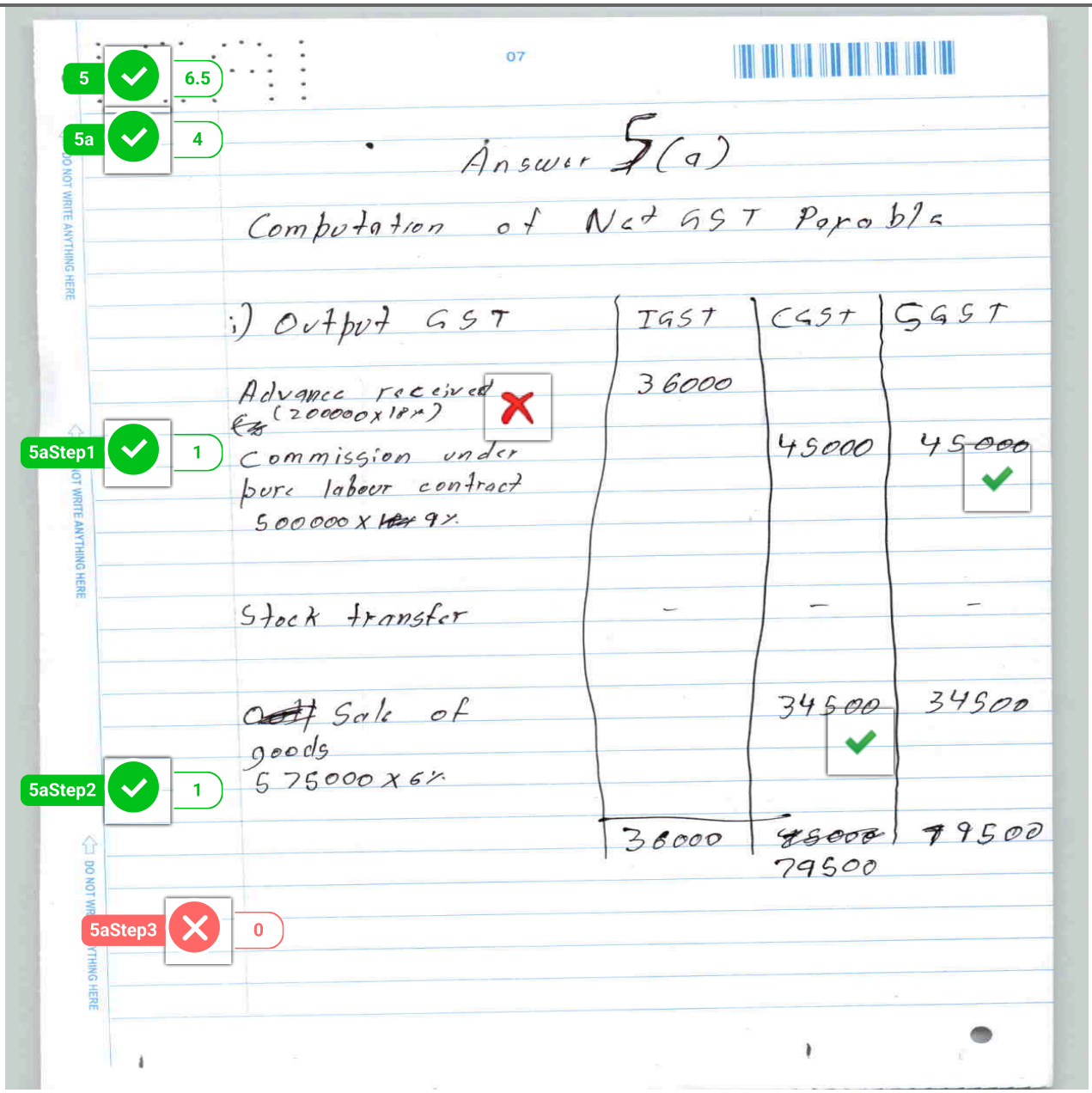
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# The Institute of Chartered Accountants of India

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5 — 6.5

5a — 4



07

Answer 5(a)

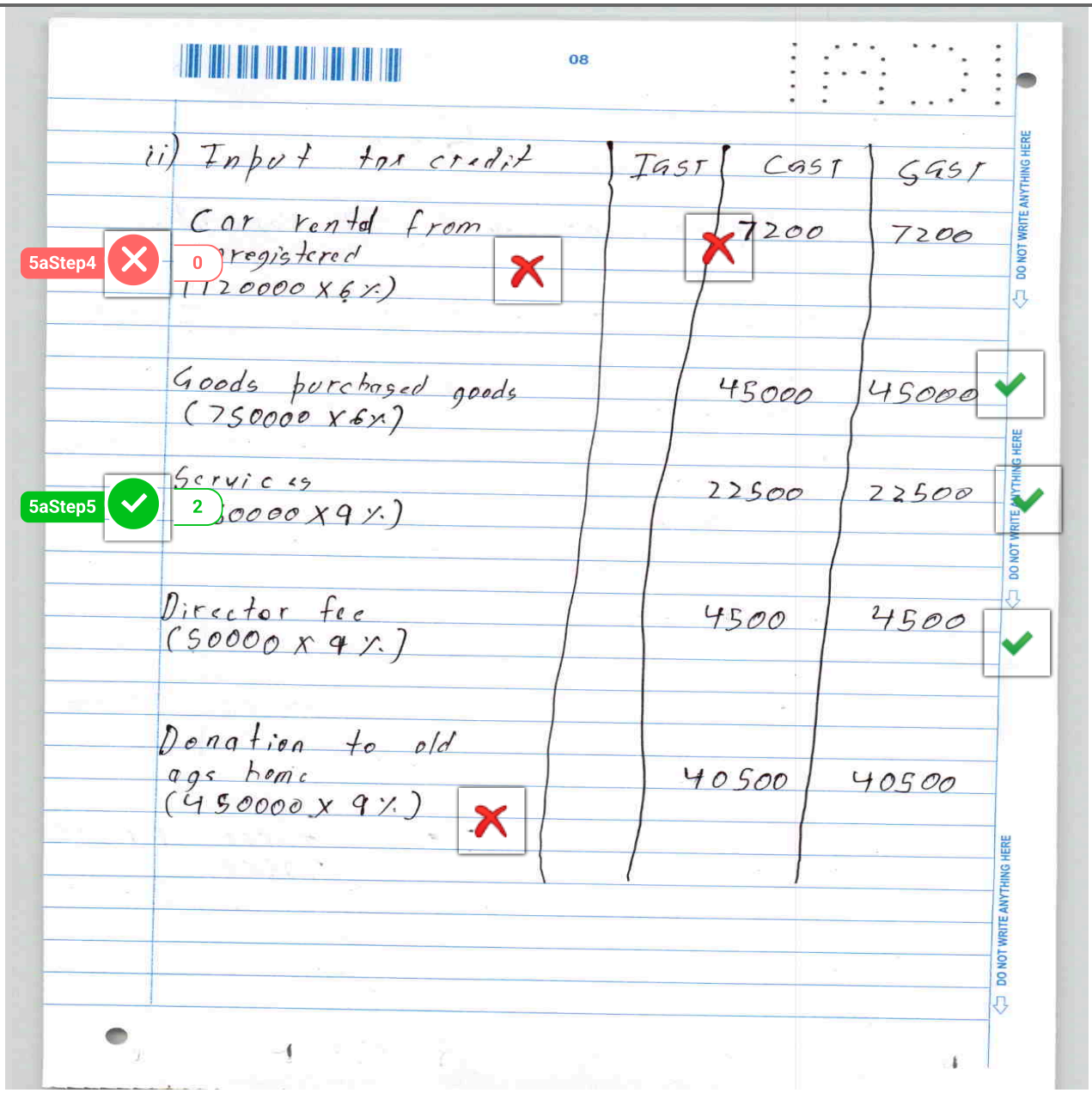
Computation of Net GST Payable

| | IGST | CGST | SGST |
|---|---|---|---|
| i) Output GST | | | |
| Advance received (200000 x 18%) | 36000 | | |
| 5aStep1 — 1 — Commission under pure labour contract 500000 x 9% | | 45000 | 45000 |
| Stock transfer | - | - | - |
| 5aStep2 — 1 — Sale of goods 575000 x 6% | | 34500 | 34500 |
| | 36000 | 79500 | 79500 |

5aStep3 — 0

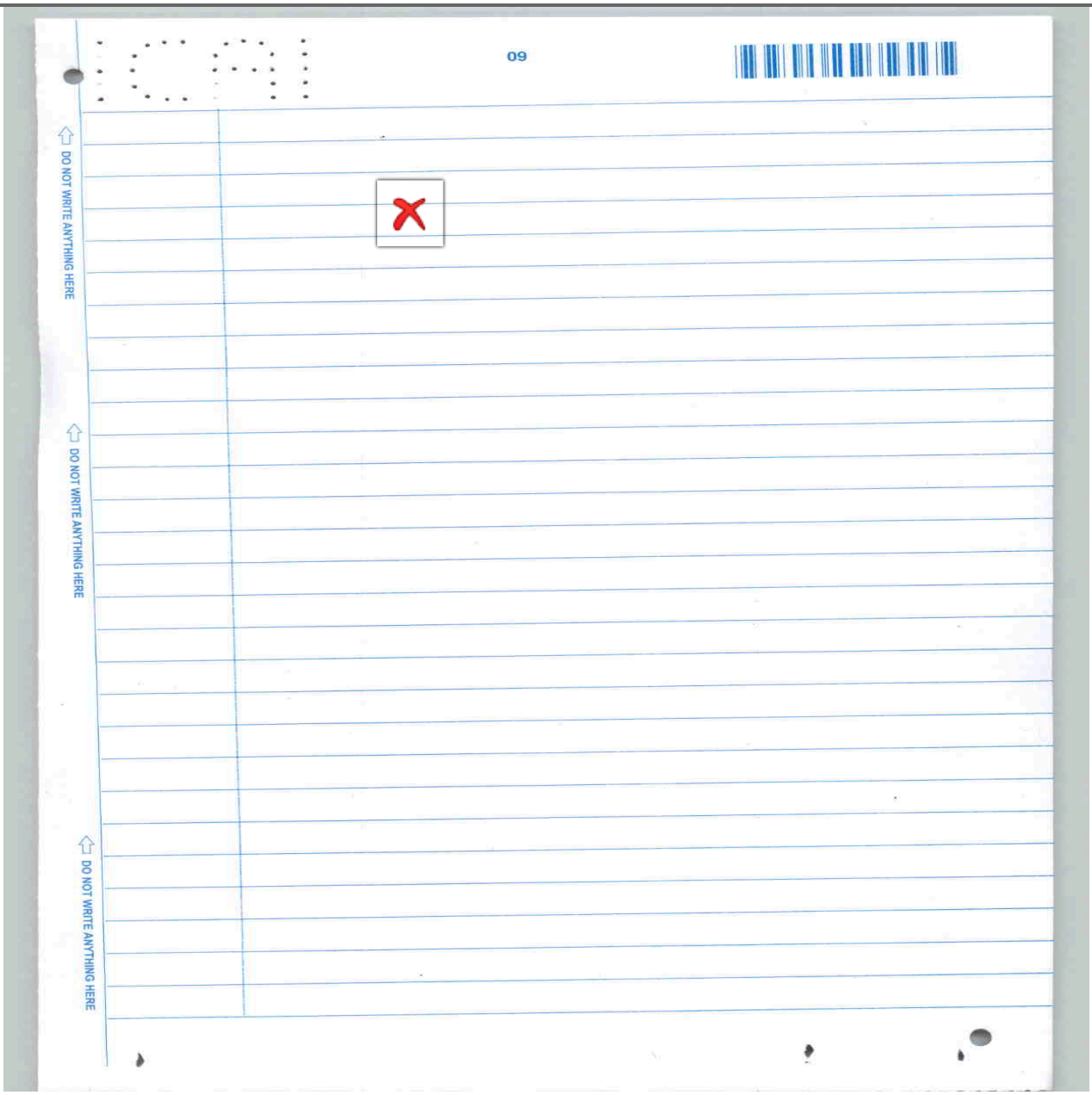
# The Institute of Chartered Accountants of India

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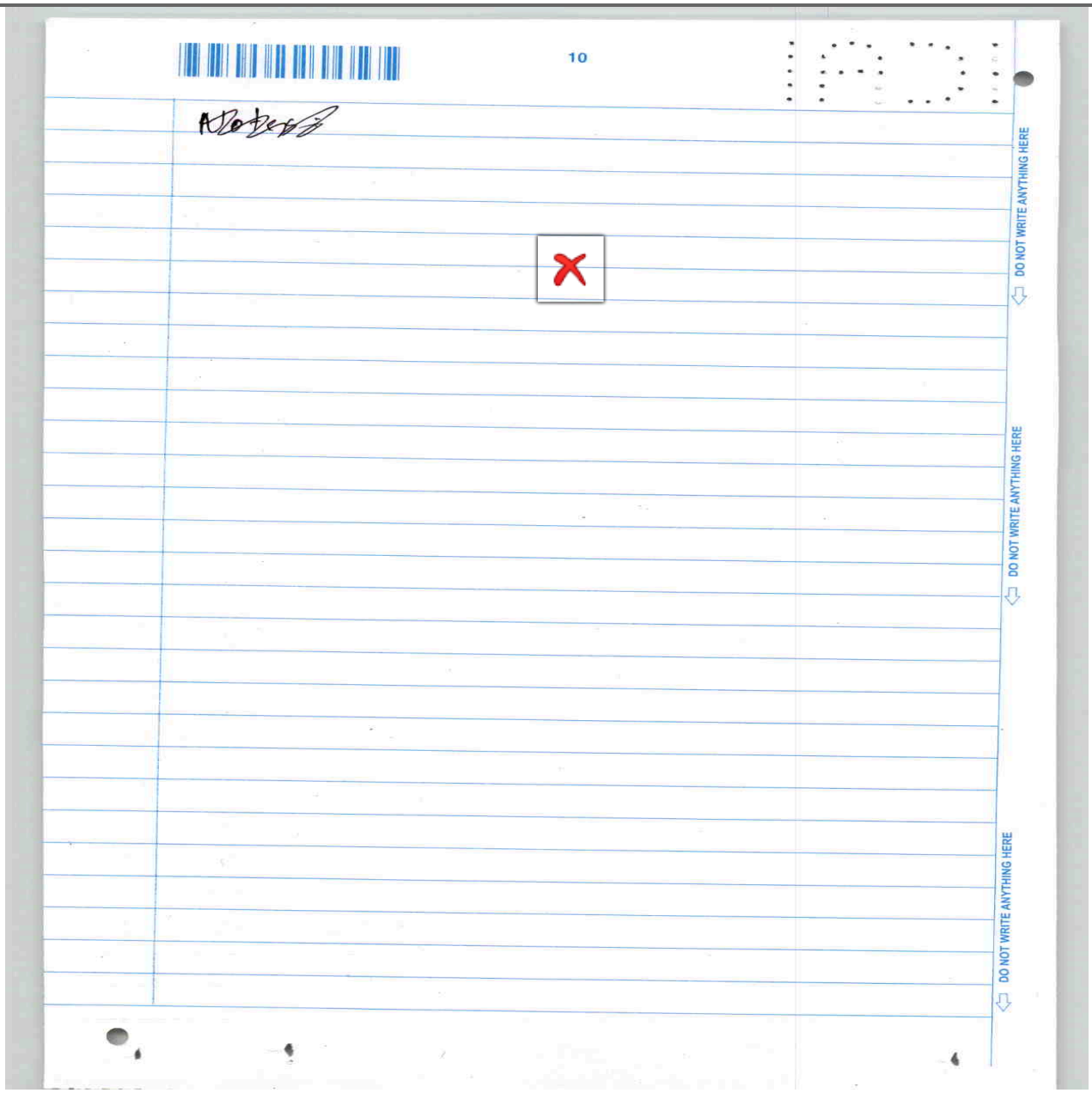
# The Institute of Chartered Accountants of India

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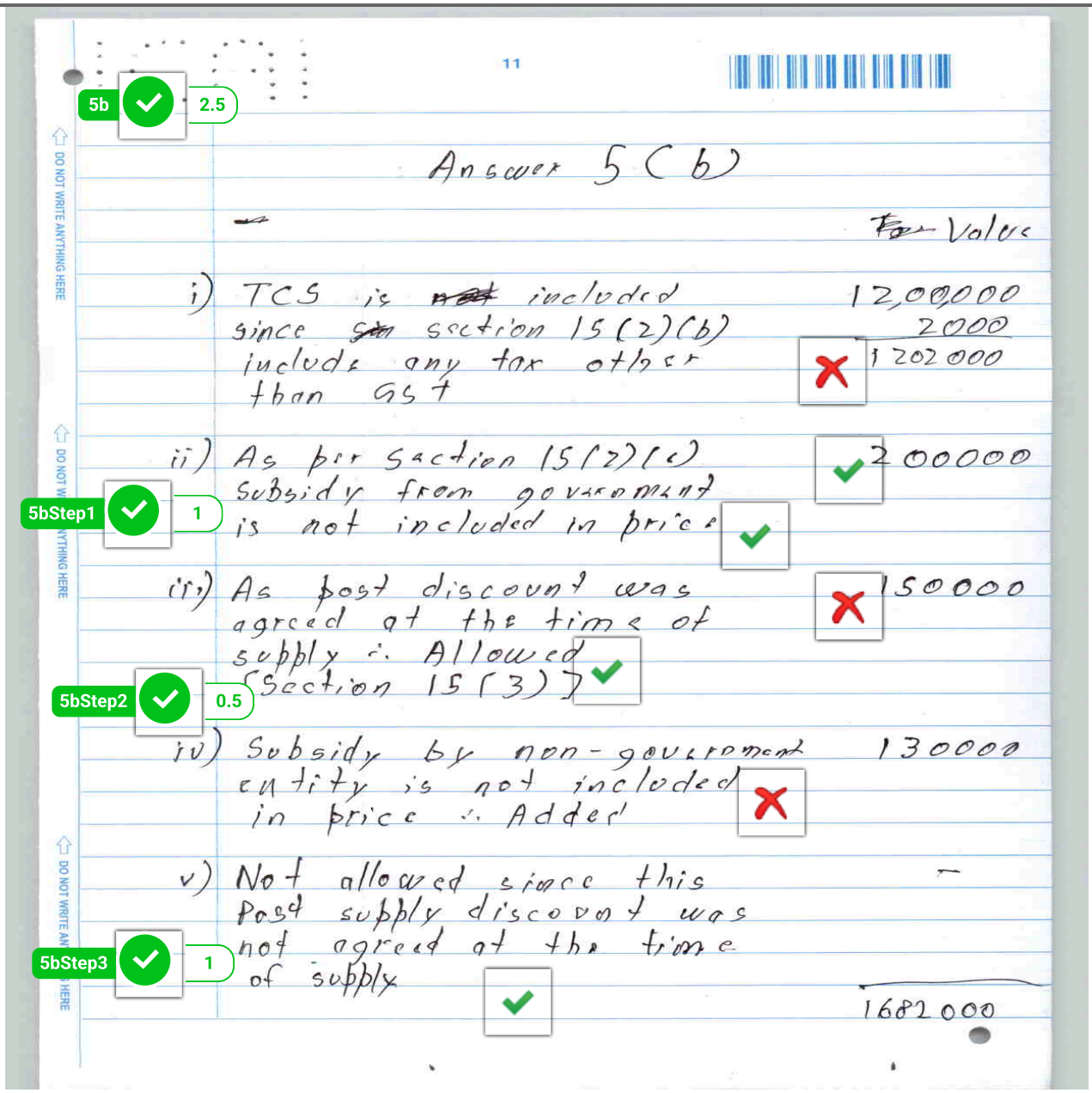
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# The Institute of Chartered Accountants of India

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11

5b ✓ 2.5

Answer 5 (b)

~~For~~ Value

i) TCS is ~~not~~ included since ~~Sec~~ section 15(2)(b) include any tax other than GST — 12,00,000 + 2000 = 12,02,000 ✗

ii) As per section 15(2)(c) Subsidy from government is not included in price ✓ — 2,00,000 ✓

5bStep1 ✓ 1

iii) As post discount was agreed at the time of supply ∴ Allowed (Section 15(3)) ✓ — 1,50,000 ✗

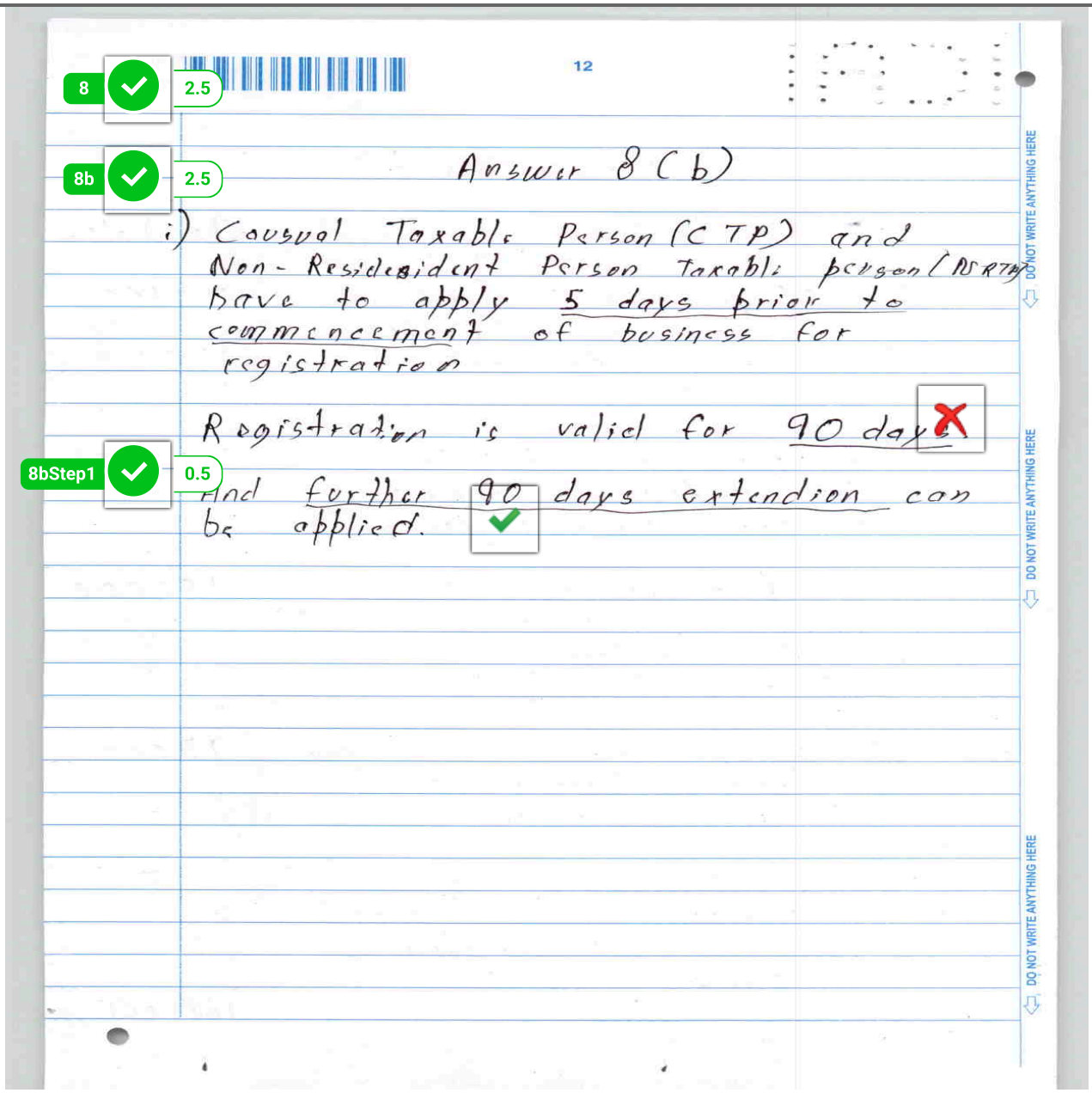
5bStep2 ✓ 0.5

iv) Subsidy by non-government entity is not included in price ∴ Added — 1,30,000 ✗

v) Not allowed since this Post supply discount was not agreed at the time of supply ✓

5bStep3 ✓ 1

16,82,000



8 ✓ 2.5

12

8b ✓ 2.5

Answer 8 (b)

i) Causual Taxable Person (CTP) and Non-Resident Person Taxable person (NRTP) have to apply 5 days prior to commencement of business for registration

Registration is valid for 90 days ✗

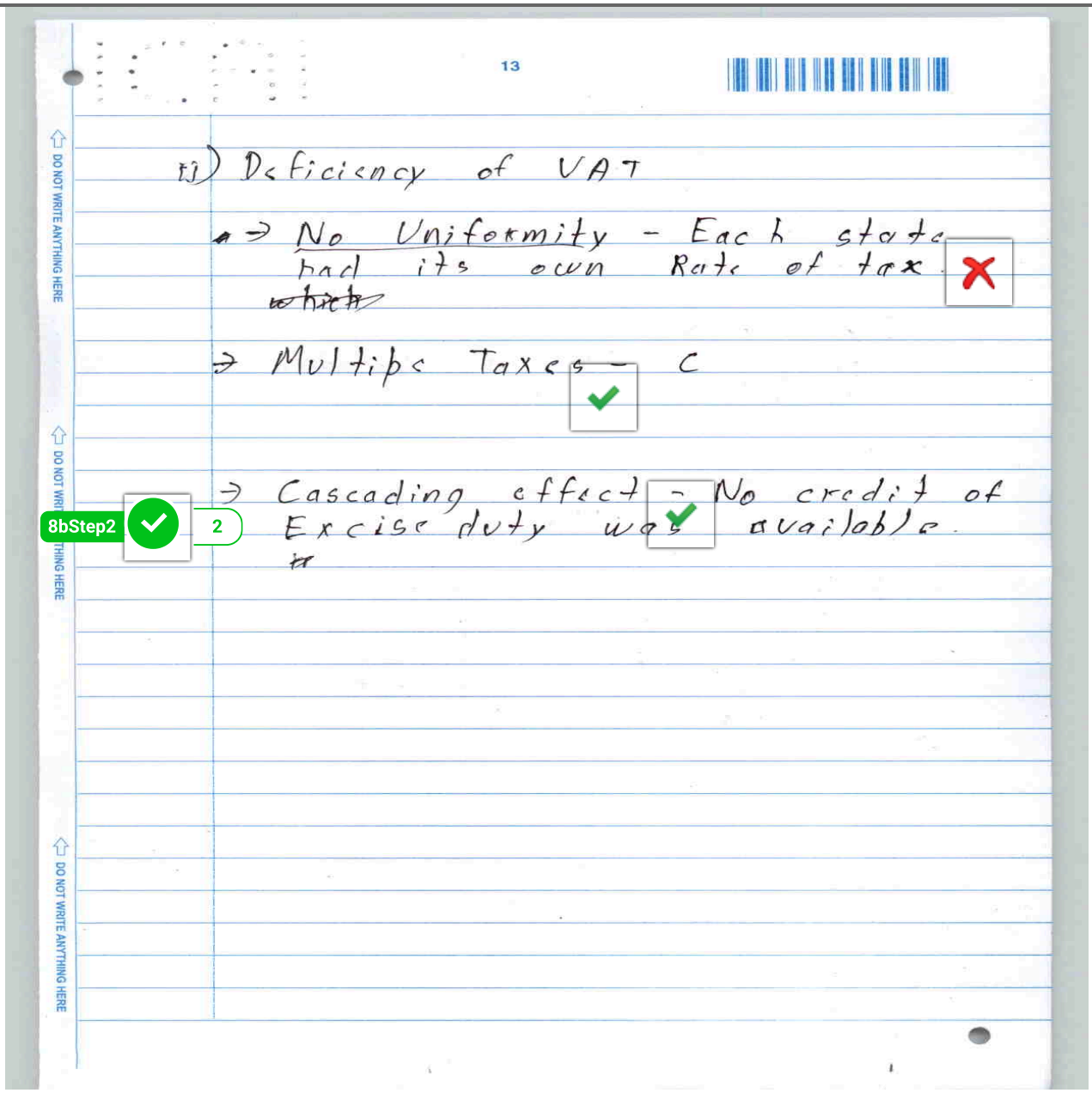
8bStep1 ✓ 0.5

And further 90 days extendion can be applied. ✓

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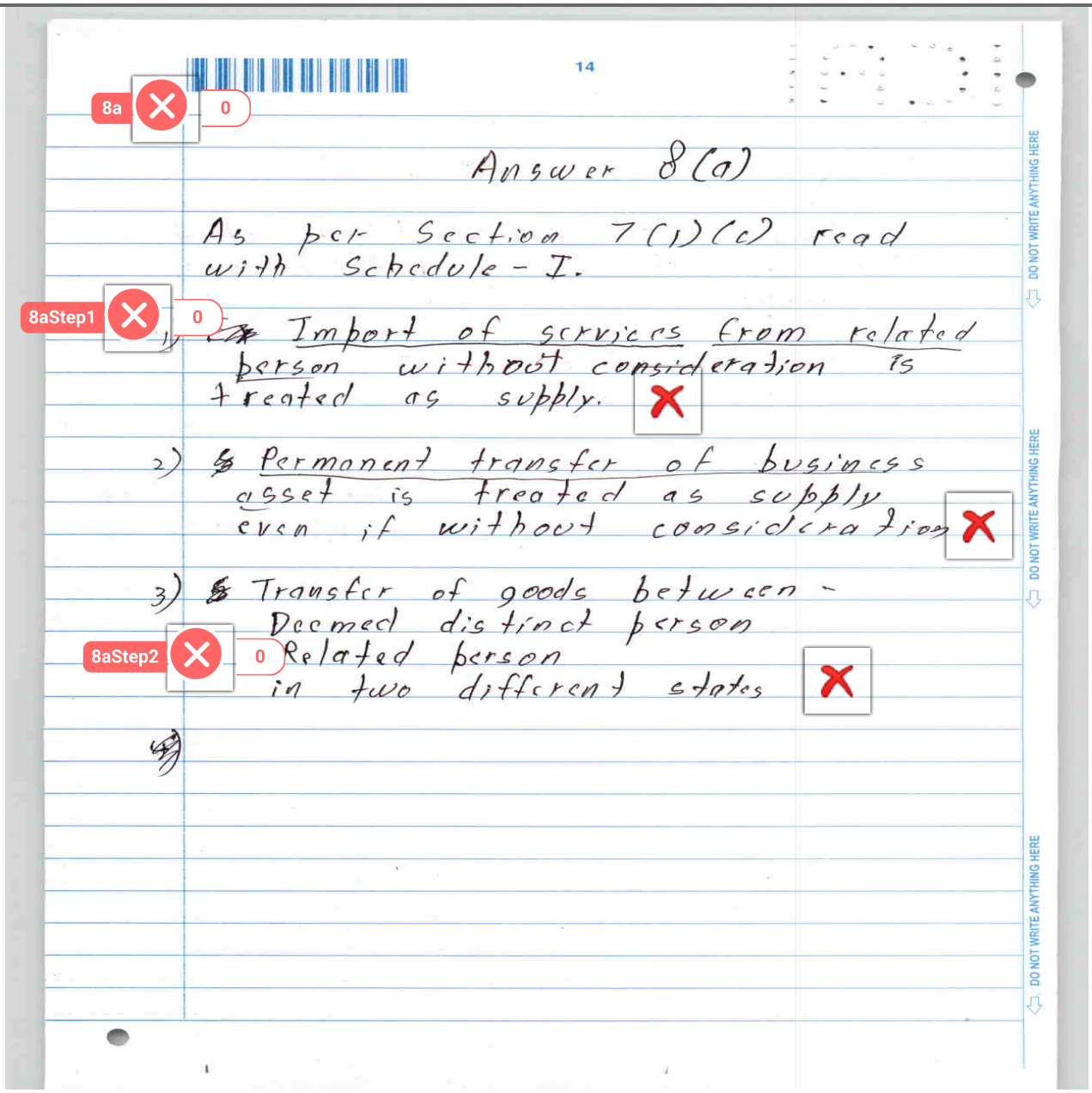
ii) Deficiency of VAT

→ No Uniformity - Each state had its own Rate of tax.

→ Multiple Taxes - C

→ Cascading effect - No credit of Excise duty was available.

8bStep2 2



14

8a 0

Answer 8(a)

As per Section 7(1)(c) read with Schedule - I.

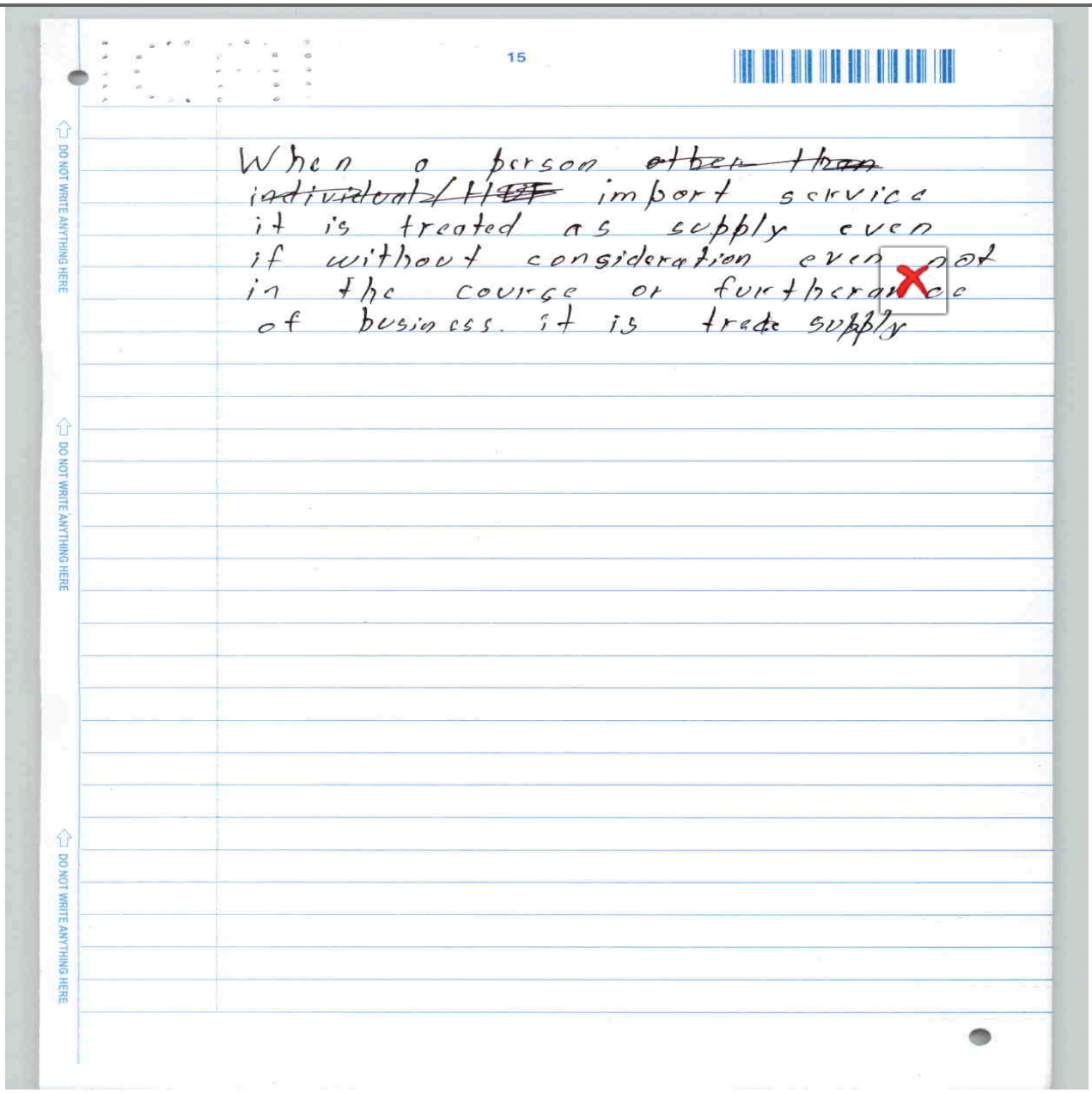
8aStep1 0

1) Import of services from related person without consideration is treated as supply.

2) Permanent transfer of business asset is treated as supply even if without consideration

3) Transfer of goods between -
Deemed distinct person
8aStep2 0 Related person
in two different states

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15

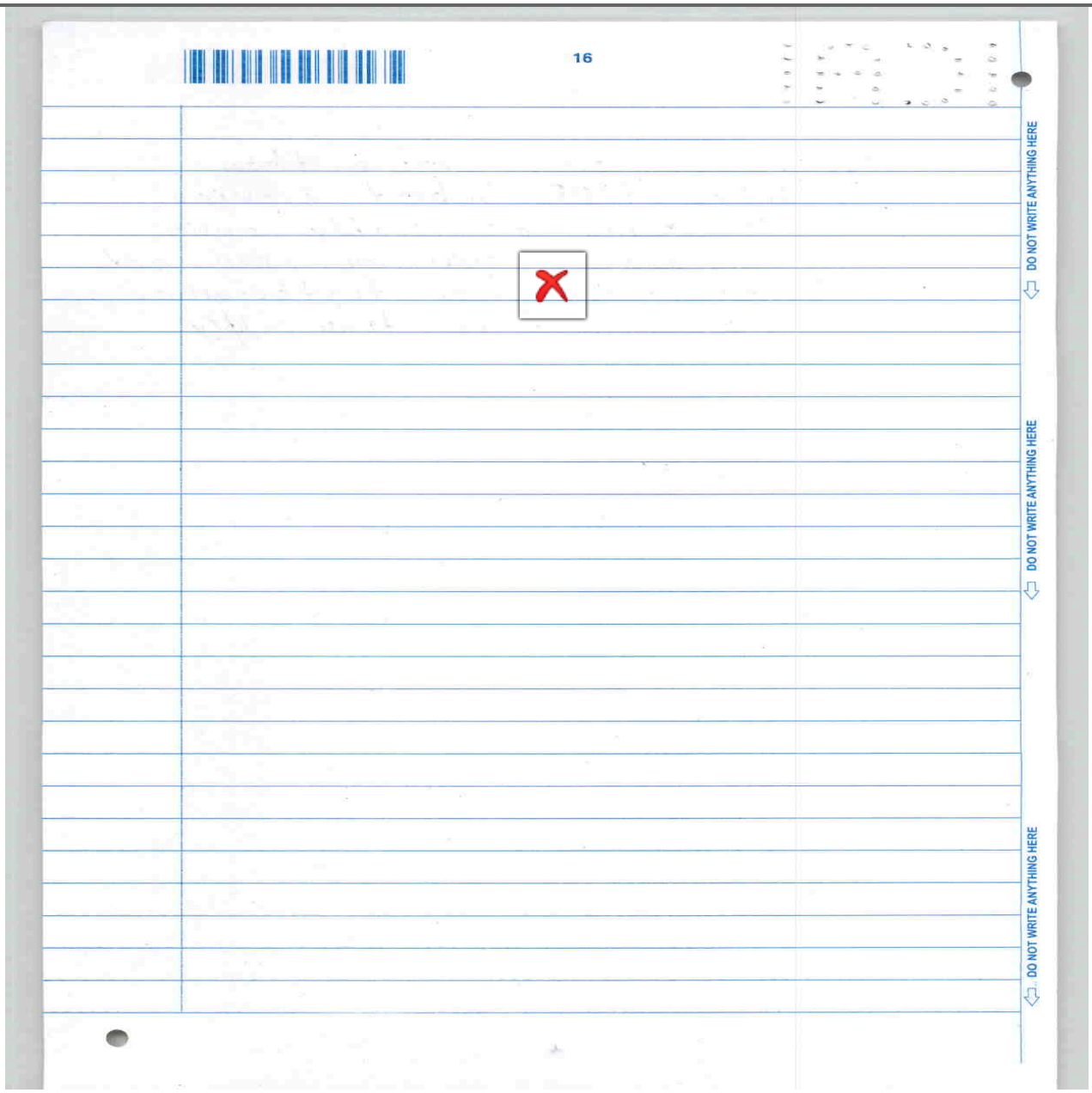
When a person ~~other than individual/HUF~~ import service it is treated as supply even if without consideration even not in the course or furtherance of business. it is trade supply

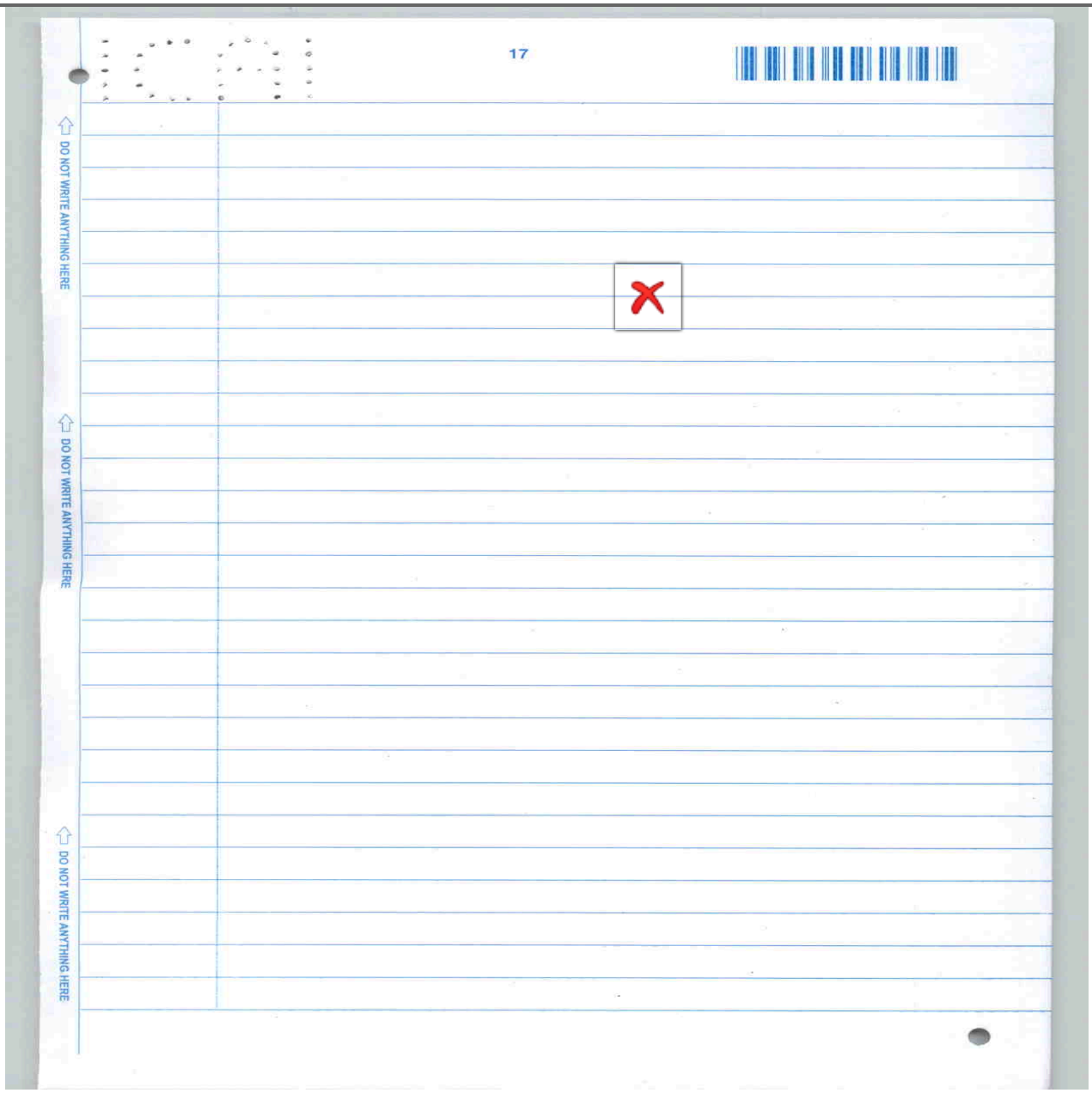
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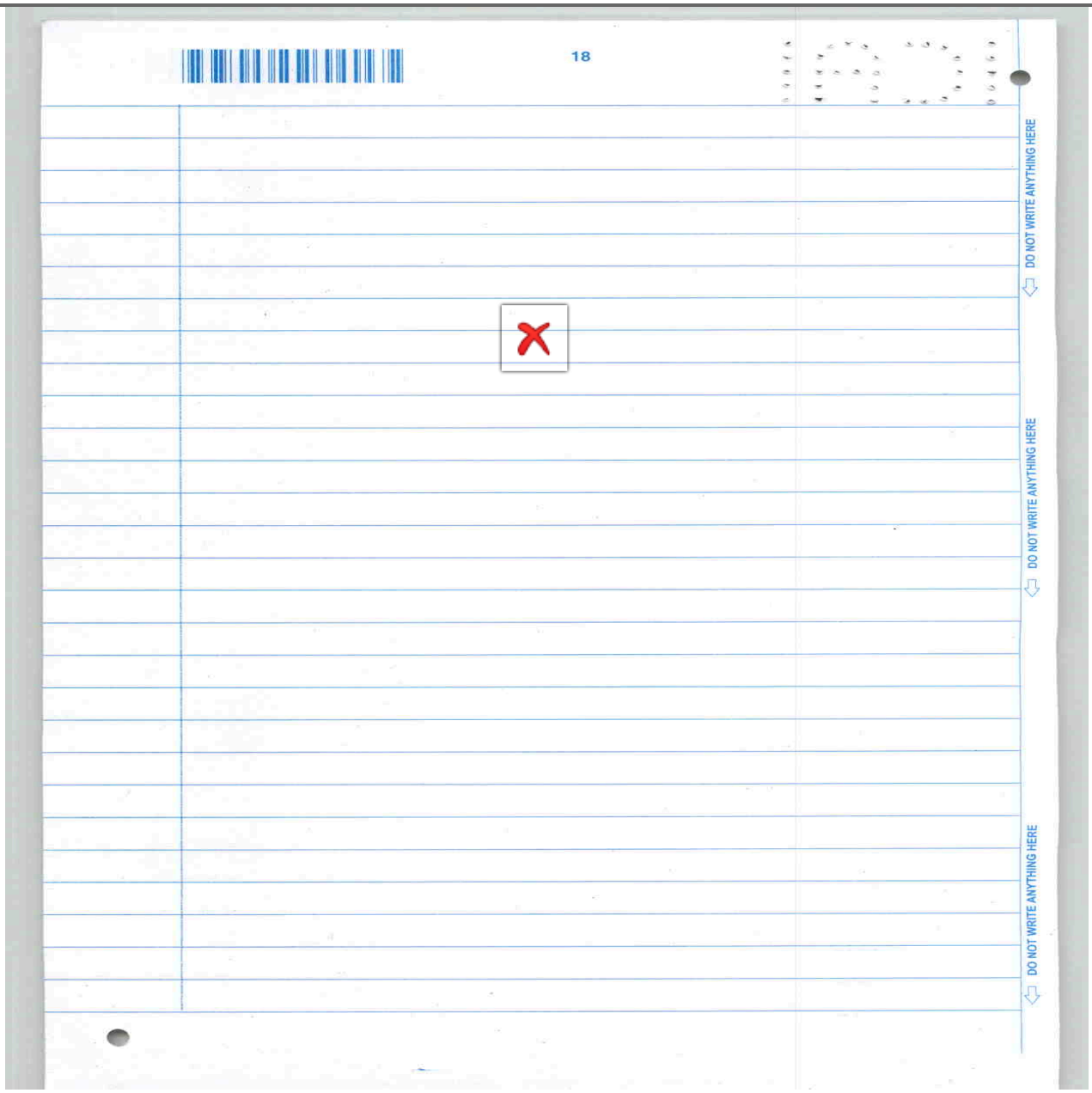
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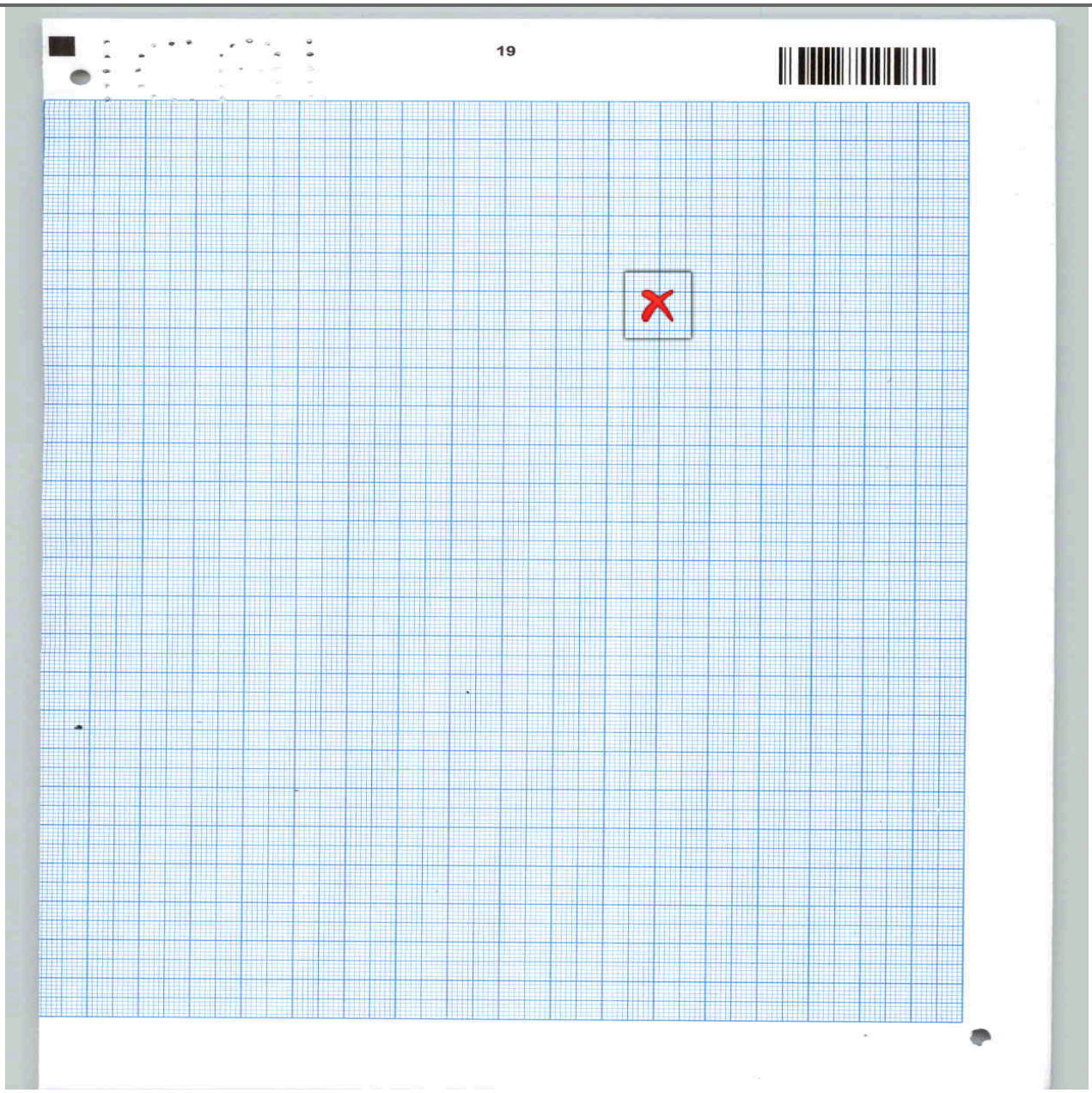
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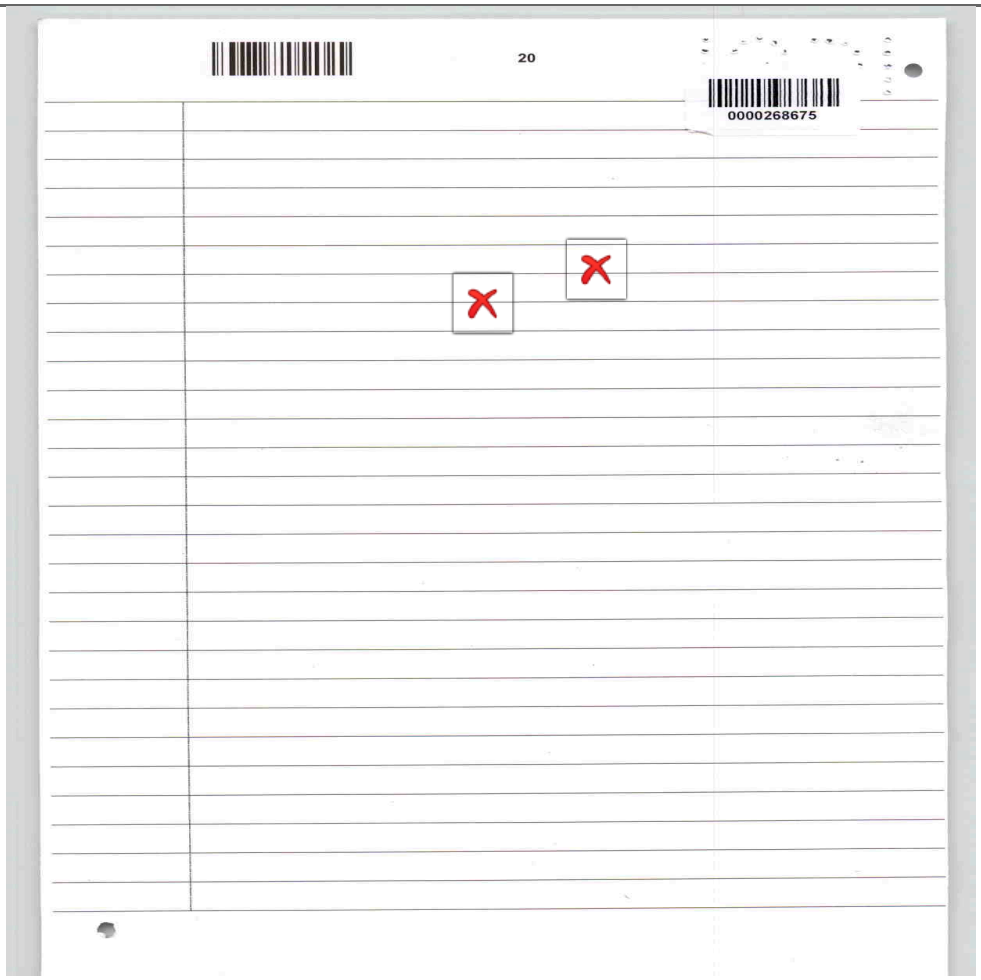



17
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