

P.G.D.I.F.A. Sem.-2 Examination**Paper-8****Taxation : Direct and Indirect Taxes****Time : 2.30 Hours]****June-2025****[Max.Marks : 70**

Q.1 A) Explain Provisions of undisclosed sources of incomes. (07)

Q.1 B) Mr. Dave, aged 35 years, and a resident in India, has a total income of ₹ 6,50,00,000 comprising long term capital gain taxable under section 112 of ₹ 55,00,000, short term capital gain taxable under section 111A of ₹ 65,00,000 and other income of ₹ 5,30,00,000.

Compute his tax liability for A.Y. 25-26 under the default tax regime and optional tax regime as per the normal provisions of the act assuming that the total income and its components are the same in both tax regime. (07)

OR

Q.1. Mr. Ramesh & Mr. Suresh are brothers, and they earned the following incomes during the F.Y. 2024-25. Mr. Ramesh settled in Canada in the year 1996 and Mr. Suresh settled in Delhi. Compute the total income for the A.Y. 2025-26 assuming that both have exercised the option of shifting out of the default tax regime provided under section 115BAC(1A). (14)

Sr. No.	Particulars	Mr. Ramesh (₹)	Mr. Suresh (₹)
1.	Interest on Canada Development Bonds (only 50% of interest received in India)	35,000	40,000
2.	Dividend from British company, received in London	28,000	20,000
3.	Profits from a business in Nagpur, but managed directly from London	1,00,000	1,40,000
4.	Short term capital gain on sale of shares of an Indian company, received in India	60,000	90,000
5.	Income from a business in Chennai	80,000	70,000
6.	Fees for technical services rendered in India, but received in Canada	1,00,000	-
7.	Interest on savings bank deposit in UCO Bank, Delhi	7,000	12,000
8.	Agricultural income from a land situated in Andhra Pradesh	55,000	45,000
9.	Rent received in respect of house property at Bhopal	1,00,000	60,000
10.	Life insurance premium paid	---	30,000

Q.2. (A) Mr. Dushyant has furnished his details for the A.Y. 2025-26 as under: (07)

Particulars	₹
Income from salaries (computed)	1,50,000
Income from Speculation business	60,000
Loss from non-Speculation business	(40,000)
Short Term Capital gain	80,000
Long term capital loss of A.Y. 2023-24	(30,000)
Winning from lotteries (Gross)	20,000

Compute the total income of Mr. Dushyant for the A.Y. 25—26.

Q.2 (B) Explain the difference between tax planning, tax evasion and tax avoidance. (07)

OR

Q.2 The following is the Receipts and Payments account of Mr. Virat Kohli, a practicing-chartered accountant, for the year ended 31-3-2025. (14)

Receipts	₹	Payments	
Audit fees	80,000	Stipend to article clerks	12,000
Consultation	40,000	Office expenses	24,000
Appellate Tribunal appearance	25,000	Office rent	18,000
Misc. Receipts	20,000	Salaries and wages	20,500
Interest on Govt. securities (Gross)	8,000	Printing and stationery	4,000
Rent received for house No. 1	24,000	Subscription to C.A. institute	1,500
Presents from clients	10,000	Purchase of books for professional purposes	15,000
		Traveling expenses	5,000
		Interest on bank loan	12,000
		Donation to National Defense Fund	5,000

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Additional information:

Loan from bank was taken for the construction of the second house in which he lives. Municipal value of this house is Rs. 18,000 and the local taxes Rs. 1,800 p.a. 1 / 4th of travelling expenses is not allowable. Compute professional income and income from house property for the assessment year 2025-26 assuming 50% of the books were purchased in August 2024 and balance 50% in February 2025.

Q.3 (A) A dual GST has been implemented in India. Elaborate. (07)

Q.3 (B) Explain genesis of GST in India and explain concept of GST. (07)

OR

Q.3 Write a short note on Registration of GSTIN and GST Council. (14)

Q.4 Define Following terms: - (14)

1) Goods	2) Consideration
3) Actionable Claims	4) Composite Supply
5) Taxable Supply	6) Person
7) Mixed Supply	

OR

Q.4 Examine whether the following activities would amount to supply under section 7 read with Schedule I: (14)

1. Sulekha Manufacturers have a factory in Delhi and a depot in Mumbai. Both these establishments are registered in respective States. Finished goods are sent from factory in Delhi to the Mumbai depot without consideration so that the same can be sold from the depot.
2. Raman is an architect in Chennai. His brother who is settled in London is a well-known lawyer. Raman has taken legal advice from him free of cost about his family dispute.
3. Would your answer be different if in the above case, Raman has taken advice in respect of his business unit in Chennai?

Q.5. Multiple Choice Questions: - (Each of 2 Marks) (14)

1. _____ Was the first Country to implement GST law in year 1954.
a) France
b) U. K
c) Germany
d) India
2. What is the turnover limit for the small tax payers introduced Under Composition relief Scheme?
a) 500 Lakhs
b) 100 Lakhs
c) 200 Lakhs
d) 150 Lakhs
3. If the owner uses his own premises for his business, Notional Rent shall _____ as deduction.
a) Be Allowed
b) Not Allowed
c) Partially Allowed
d) None of the Above
4. Calculate PGBP income. Speculation business Loss of ₹. 2,00,000 Normal business: Profit of ₹ 1,25,000
a) ₹. 3,25,000 (Profit)
b) ₹ 1,25,000 (Profit)
c) ₹ 75,000(Profit)
d) ₹ 2,00,000(Loss)
5. Assessee is having stock existing in the business. Valuation of stock will be at:
a) Cost price
b) Market price
c) Cost or market price, whichever is less
d) Cost or market price, whichever is more
6. Loss from house property and losses in speculation business can be carried forward respectively for-
a) 8 years and 4 years
b) 4 years and 8 Years
c) 8 years and 8 years
d) 4 years and 4 years
7. A Citizen of India, who goes abroad for the purpose of employment, he must stay in India to become resident at least -
a) 182 Days
b) 60 Days
c) 90 Days
d) 180 Days

BEST OF LUCK