

MOCK TEST PAPER (JUNE - 2025)**Time Allowed: 3 Hrs****Maximum: 100 Marks****Please send your solution as a scanned copy pdf in mail id vseiplonline@gmail.com****SECTION A: INCOME TAX****MCQ BASED QUESTION [15 Marks]****In this Section all the Questions are compulsory**

1. Sriram, born on 1st April 1963, has a total income of ₹7,50,000 for the assessment year 2025–26. He has opted for Section 115BAC. What is his income-tax liability (including cess)? **[1 Mark]**

- ☐ (a) ₹31,200
- ☐ (b) ₹65,000
- ☐ (c) ₹36,400
- ☐ (d) ₹26,000

2. Gupta (age 56), a salaried employee, has an income from salary (computed) of ₹4,00,000 and a short-term capital gain from the sale of listed shares (computed) of ₹1,50,000. What is his tax liability u/s 115BAC? **[1 Mark]**

- ☐ (a) ₹0
- ☐ (b) ₹18,250
- ☐ (c) ₹23,400
- ☐ (d) ₹10,400

3. Shri Ambalal has a total income of ₹350 lakhs, which includes ₹3 crores from business and ₹50 lakhs as rental income. What is the rate of surcharge applicable for the assessment year 2025–26? **[1 Mark]**

- ☐ (a) 10%
- ☐ (b) 15%
- ☐ (c) 25%
- ☐ (d) 37%

4. Eknath engaged in manufacturing activities, has a total income of ₹51 lakhs for the assessment year 2025–26. What is the surcharge applicable.? **[1 Mark]**

- ☐ (a) 10%
- ☐ (b) 15%
- ☐ (c) 25%
- ☐ (d) 42%

5. Alok & Co., engaged in the garment trade, owes interest on a term loan from SBI for ₹5,20,000 for the previous year 2024–25. Of this, ₹2,50,000 was paid by 31st March 2025, ₹1,10,000 was paid before the due date of filing the ITR (u/s 139(1)), and the remaining was unpaid. What is the deductible interest for the assessment year 2025–26? **[1 Mark]**

- (a) ₹5,20,000
- (b) ₹3,60,000
- (c) ₹4,10,000
- (d) ₹2,70,000

6. Ms. Mala, employed at X Co. Ltd., seeks an interest-free loan from her employer for personal expenses. What amount of loan would not attract tax as a perquisite? **[1 Mark]**

- (a) ₹2,00,000
- (b) ₹1,00,000
- (c) ₹50,000
- (d) ₹20,000

7. Sangma owns a tea estate in Assam. His income from growing and manufacturing tea for the financial year ended 31st March 2025 is ₹10 lakhs. How much of this is agricultural income? **[1 Mark]**

- (a) ₹10,00,000
- (b) ₹6,00,000
- (c) ₹4,00,000
- (d) ₹2,50,000

8. Dr. Ramseshan received ₹1 lakh as a lifetime achievement award for rendering medical services from a social club. How much of this award is taxable? **[1 Mark]**

- (a) ₹1,00,000 – Fully taxable
- (b) NIL – Exempt under Section 10(17A)
- (c) 50% is taxable
- (d) ₹95,000 is taxable

9. Mr. A rented out a property for ₹30,000/month during the financial year 2024–25 and paid ₹60,000 in municipal tax in December 2024 for the financial years 2022–23, 2023–24, and 2024–25. What is the taxable income under the 'house property' head? **[1 Mark]**

- (a) ₹3,40,000
- (b) ₹3,00,000
- (c) ₹2,10,000
- (d) ₹1,92,000

10. Ranjit (age 50) has an income of ₹25 lakhs from lottery winnings and a ₹1,50,000 loss under 'House Property.' What is his net tax liability for the assessment year 2024–25? **[1 Mark]**

- (a) ₹5,85,000
- (b) ₹5,38,200
- (c) ₹4,60,200
- (d) ₹7,80,000

11. Total income must be rounded off to the nearest multiple of ₹ _____, and tax must be rounded off to the nearest multiple of ₹ _____. **[1 Mark]**

- (a) Hundred, Ten
- (b) Ten, Ten
- (c) Ten, One
- (d) One, One

12. An Indian company is classified as:

[1 Mark]

- (a) Always a resident in India, irrespective of control and management
- (b) A resident in India if its control and management is wholly situated in India
- (c) A resident in India if its control and management is wholly or partly situated in India
- (d) A resident in India if its control and management is wholly situated outside India

13. Income from an asset transferred to a spouse will be taxable in the hands of the transferor if:

[1 Mark]

- (a) The asset was transferred pursuant to an agreement to live apart
- (b) The asset was transferred for adequate consideration
- (c) The asset was transferred before marriage
- (d) The asset was transferred for inadequate consideration

14. Which expenditure on scientific research is not allowed as a deduction?

[1 Mark]

- (a) Capital expenditure incurred on scientific research during the year related to the business
- (b) Revenue expenses incurred during the previous year
- (c) Revenue expenses on payment of salary to employees engaged in scientific research and purchase of materials used in scientific research, incurred during the three years immediately preceding the commencement of business
- (d) Expenditure incurred on the acquisition of land during the year for scientific research

15. The taxable value of the perquisite for sweat equity shares allotted by an employer is: [1 Mark]

- (a) Fair market value subject to a standard deduction of ₹50,000
- (b) The fair market value of such shares as on the date when the option is vested to the employee, reduced by the amount paid
- (c) The fair market value of such shares as on the date when the option is exercised by the employee, reduced by the amount paid
- (d) Not taxable in the hands of the employee

DESCRIPTIVE QUESTIONS [35 Marks]

[In this Section Question 1 is compulsory and Attempt any 2 questions from the rest]

Question 1: Dr. Shuba is medical practitioner. Her age is 50 as on 1 Jan 2025. The Receipts and payments account of 2024-25 of her is as under:

To		By	
Balance B/f :	1,09,000	Purchase of commercial vehicle	4,00,000
Receipts from sale of Medicine	2,50,000	(Before 30 Sep. 2021)	
Consultation fee	50,000	Drawing	2,50,000
Visiting fee	2,00,000	Deposit in bank for 5 years	1,50,000
Lecturers	5,000	Surgical instrument purchased	
Family pension	2,80,000	Before 30 Sep. 2021	50,000
Saving bank interest	1,000	Installment of loan paid	
Loan from bank	3,00,000	(including interest ₹ 22,333)	1,21,000
Share from HUF	50,000	Medical insurance premium	32,000
Agriculture income	1,000	Installment of housing loan	
Income from lottery	35,000	(Principal component ₹ 48,000)	1,08,000
(net after deduction of		Advance tax paid	20,000
TDS @ 30%)		Purchase of medicine	47,000
		Payment for medical journal	5,000
		Vehicle expenses	50,000
		Balance C/f :	48,000
Total	12,81,000	Total	12,81,000

Other relevant information is as under:

- She resides in her own house which was constructed in 1999 with a loan from LIC Housing of 10,00,000 out of which 6,00,000 was still due. She got it refinanced from SBI on 01.04.18 at the rate of 10%. One fourth portion of the house is used for clinic purposes. (WDV as on 1.4.2024 ₹ 2,82,430)
- She invested in term deposit 1,50,000 in Bank of Baroda on 01.07.24 for a period of 5 years in the name of her minor daughter at 9% interest p.a.
- She purchased a commercial vehicle on 1 July 2024 at 4,00,000. A loan of 3,00,000 was taken to buy the van at 8% interest. One fourth use of vehicle is estimated to be personal.
- She paid medical insurance premium for herself of 16,000 and for her mother 16,000. Her mother is dependent on her.
- She got her share from HUF's income of 50,000.

Compute Total Income.

[15 Marks]

Question 2(a): Mr. Ravi, a resident and ordinarily resident in India, owns a let out house property having different flats in Kanpur which has municipal value of ₹27,00,000 and standard rent of ₹29,80,000. Market rent of similar property is ₹30,00,000. Annual rent was ₹40,00,000 which includes ₹10,00,000 pertaining to different amenities provided in the building. One flat in the property (annual rent is

₹2,40,000) remains vacant for 4 months during the previous year. He has incurred following expenses in respect of aforesaid property:

Municipal taxes of 4,00,000 for the financial year 2024-25 (10% rebate is obtained for payment before due date). Arrears of municipal tax of financial year 2023-24 paid during the year of ₹1,40,000 which includes interest on arrears of ₹25,000.

Lift maintenance expenses of ₹2,40,000 which includes a payment of ₹30,000 which is made in cash.

Salary of ₹88,000 paid to staff for collecting house rent and other charges.

Compute the total income of Mr. Ravi for the assessment year 2025-26 assuming that Mr. Ravi has opted out of default provisions under section 115BAC. **[6 Marks]**

Question 2(b): Mr.T, a salaried person, does not have any income under the head Profit and Gains From Business or profession. During the year he pays ₹ 60,000 p.m as rent to Mr. L from 1.6.2024. Mr. T is not a registered person under TDS. Mr. L also does not have PAN. Discuss the tax implications in the light of section 194-IB. **[4 Marks]**

Question 3(a): Star Enterprises has transferred its unit R to A Ltd. by way of Slump Sale on January 23, 2025. The summarized Balance Sheet of Star Enterprises as on that date is given below:

Liabilities	Amount (₹ In lacs)	Assets	Amount (₹ In lacs)
<u>Own Capital</u>	1,750	<u>Fixed Assets:</u>	
<u>Accumulated P & L balance</u>	670	Unit P	200
<u>Liabilities:</u>		Unit Q	150
Unit P	90	Unit R	600
Unit Q	160	<u>Other Assets:</u>	
Unit R	140	Unit P	570
		Unit Q	850
		Unit R	440
Total	<u>2,810</u>	Total	<u>2,810</u>

Using the further information below, compute the Capital Gains arising from slump sale of Unit R for Assessment year 2025-26.

(i) Slump sale consideration on, transfer of Unit R was ₹ 900 lacs. [FMV OF ALL THE ASETS WERE Rs. 930 lacs]

(ii) Fixed Assets of Unit R includes land which was purchased at ₹ 110 lacs in the year 2011 and was revalued at ₹ 140 lacs.

(iii) Other fixed assets are reflected at ₹ 460 lacs, (i.e., ₹ 600 lacs less value of land) which represents written down value of those assets as per books. The written down value of these assets is ₹ 430 lacs.

(iv) Unit R was set up by Star Enterprises in Oct, 2010

[7 Marks]

Question 3(b): State whether quoting of PAN in the following transactions is mandatory or not, as per the provisions of Income-tax Act, 1961:

- (1) Mr A makes cash payment to a hotel Radisson BIu, Ahmedabad of ₹ 50,000 against the bill raised by the hotel.
- (2) Mr Abhishek, in one transaction, makes contract of ₹1,20,000 for sale/buy of securities (other than shares) as defined in section 2(h) of the Securities Contracts (Regulation) Act, 1956.
- (3) Payment to Mutual Funds of ₹ 70,000 for purchase of its units.

Your answers must be supported with reasons.

[3 Marks]

Question 4(a): Mr. Kamal grows paddy and uses the same for the purpose of manufacturing of rice in his own Rice Mill. The cost of cultivation of 40% of paddy produce is Rs.7,00,000 which is sold for Rs.15,00,000; and the cost of cultivation of balance 60% of paddy is Rs.12,00,000 and the market value of such paddy is Rs.24,00,000. To manufacture the rice, he incurred Rs.2,00,000 in the manufacturing process on the balance(60%) paddy. The rice was sold for Rs.30,00,000. Compute the business income and Agriculture Income of Mr. Kamal.

[4 Marks]

Question 4(b): Mr. Sarthak, an individual and an Indian citizen living abroad (Dubai), a tax haven, since year 2005 and never came to India for a single day since then, earned the following incomes during the previous year 2024-25:

[6 Marks]

Particulars	Amount (Rs.)
Income accrued and arisen in Dubai not taxable in Dubai (being tax haven)	20,00,000
Income accrued and arisen in India	5,00,000
Income deemed to accrue and arise in India	8,00,000
Income arising in Dubai from a profession setup in India	10,00,000

1. Determine the residential status of Mr. Sarthak and taxable income for the P.Y. 2024-25.
2. What would be your answer if income arising in Dubai from a profession set up in India is Rs.2,00,000 instead of Rs.10,00,000?
3. What would be your answer if Mr. Sarthak born in Dubai and his parents were born in India?

SECTION B: GOODS AND SERVICES TAX

MCQ BASED QUESTION [15 Marks]

In this Section all the Questions are compulsory

1. Under GST law, for a destination located 290 kilometers from the place of dispatch, the validity of the e-way bill (excluding over-dimensional cargo) is: **[2 Marks]**

- (a) 1 day (b) 2 days (c) 14 days (d) 15 days

2. A & Co. was dissolved and its GST registration was canceled on 31st August 2024. What is the deadline for filing the final return (Form GSTR-10)? **[2 Marks]**

- (a) On or before 31st March 2025 (b) On or before 31st December 2024
(c) On or before 30th November 2024 (d) On or before 30th September 2024

3. What is the monetary limit for aggregate turnover in the preceding financial year to avail the QRMP Scheme under GST? **[2 Marks]**

- (a) ₹1.50 crore (b) ₹2 crore (c) ₹10 crore (d) ₹5 crore Answer:

4. For taxable supply of services by a banking company, under GST law, an invoice must be issued within: **[2 Marks]**

- (a) 30 days from the date of supply of services (b) 45 days from the date of supply of services
(c) 60 days from the date of supply of services (d) 90 days from the date of supply of services

5. As per the Customs Act, 1962, how far do India's territorial waters extend from the baseline?

[2 Marks]

- (a) Up to 200 nautical miles (b) Up to 12 nautical miles
(c) Up to 188 nautical miles (d) Up to 212 nautical miles

6. An advance of ₹75,000 was received on 25th August, 2023 against the services rendered on 12th September, 2023 for the total value of ₹3,00,000. Invoice was also issued on the same day being 12th September, 2023 and the balance payment of ₹2,25,000 was received on 18th September, 2023. The time of supply and the value of supply under CGST Act, 2017 shall be: **[2 Marks]**

- (A) 12th September, 2023; ₹3,00,000
(B) 25th August, 2023; ₹3,00,000

(C) 25th August, 2023; ₹75,000 and 12th September, 2023; ₹2,25,000

(D) 18th September, 2023; ₹3,00,000

7. Rex Ltd. purchased a machine for ₹ 5 lakhs plus GST 12% on 01.05.2022. It availed input tax credit and used the machine for manufacture of goods. On 12.12.2023, the machine was sold to its allied concern for ₹ 1,50,000 plus GST @ 12%. How much is the GST payable on sale of machine? **[2 Marks]**

(A) ₹ 39,000

(B) ₹ 36,000

(C) ₹ 33,000

(D) ₹ 18,000

8. ATOZ Ltd supplied goods from its factory at Bikaner to PQR Ltd under a contract for the goods to be delivered at the factory of PQR Ltd located at Udaipur. The goods were removed on 9th September, 2023 from the factory of ATOZ Ltd and were delivered to the factory of PQR Ltd located at Udaipur on 15th September, 2023. **[1 Marks]**

The invoice was issued on 18th September, 2023 and the payment was credited to the bank account of ATOZ Ltd on 20th October, 2023 for which the entry in the books was made on 19th Sept. 2023 when the cheque was received. The time of supply in this case will be -----

(A) 18 September, 2023

(B) 9 September, 2023

(C) 15 September, 2023

(D) 20 October, 2023

DESCRIPTIVE QUESTIONS [35 Marks]

[In this Section Question 1 is compulsory and Attempt any 2 questions from the rest]

Question 1: Compute GST liability of Mr. Ramanujam from the following for the month of March 2025, a registered dealer of West Bengal having GSTIN 19ABCDE1234F1ZG: [10 Marks]

Amount (Rs.)

Intra State Sales	50,00,000
Inter State Sales	75,00,000
Stock transfer to branch having GSTIN 19ABCDE1234F2ZG (Market Value Rs. 6,00,000)	NIL
Transport charges paid to GTA (unregistered)	50,000
Amount paid to Mrs. Lal of USA towards consultancy services	2,00,000
Intra-State purchases where suppliers were unregistered dealer	30,00,000
Intra-State purchases from a registered dealer	40,00,000
Purchases from Sri Magan, a registered dealer having turnover of Rs.40 crores and follows a system of issuing manual invoices	6,00,000
Purchases from Mr. Chandan, a registered dealer where the supplier furnished GSTR1 on 14 th April 2025	2,00,000
Interest and fine received in March 2025 for services supplied in February but payment received in March 2025	20,000
Goods sent to agent (The said goods have not been sold yet)	5,00,000 (Market Value)

Note:

1. Of the purchases made from registered dealer 40% stock remains unused, 10% was destroyed and remaining was used, but there was 6% normal loss.
2. On 15th November 2024, a credit purchase was made from Mr. Shantanu Rs.5,00,000 for which payment has not been made so far. ITC was claimed in November 2024 itself.
3. In the month of February,2025 the company has made a sales of Rs.10,00,000 to Rosy but the said goods were returned by the buyer in March 2025. Assume GST rate 18%.

Question 1(b): Whether the following case amounts to supply and who is liable to pay GST?

(i) XYZ Pvt. Ltd. gets converted into a LLP firm and accordingly all the assets and liabilities of company is transferred to LLP and the LLP continue the same business. Is supply of such assets amount to supply and liable for GST?

(ii) Mr. Samsun, a registered person under GST is engaged in commercial coaching services. In his batch he provided free classes-

- (a) to his own brother (wholly dependent) and
- (b) free classes to his friend's brother.

[2 +3 = 5 Marks]

Question 2(a): Following are the particulars, relating to one of the machine sold by M/s SQM Ltd. to M/s. ACD Ltd. in the month of February 2024 at List price of ₹ 9,50,000. (Exclusive of taxes and discount) Further, following additional amounts have been charged from M/s ACD Ltd:

S. No.	Particulars	Amount (₹)
(i)	Municipal taxes chargeable on the machine	45,000
(ii)	Outward freight charges (Contract was to deliver machine at ACD Ltd.'s factory i.e. F.O.R. contract)	65,000

Additional information:

(i)	M/s SQM Ltd. normally gives an interest-free credit period of 30 days for payment, after that it charges interest @ 1% P.M. or part thereof on list price. ACD Ltd. paid for the supply after 45 days but, M/s SQM Ltd. waived the interest payable.
(ii)	M/s SQM Ltd. received ₹ 50,000 as subsidy, from one non-government organization (NGO) on sale of such machine. This subsidy was not linked to the price of machine and also not considered in list price of ₹ 9,50,000.
(iii)	M/s ACD Ltd. deducted discount of ₹ 15,000 at the time of final payment, which was not as per agreement.
(iv)	M/s SQM Ltd. collected ₹ 9,500 as TCS (Tax Collected at Source) under the provisions of the Income Tax Act, 1961.

Compute the Taxable Value of Supply as per provision of GST laws, considering that the price is the sole consideration for the supply and both parties are unrelated to each other.

Note: Correct legal provision should form part of your answer.

[6 Marks]

Question 2(b): In the following independent cases, decide, which person is liable to pay GST, if any. You may assume that recipient is located in the taxable territory. Ignore the Aggregate Turnover and Exemption available.

(i) 'Veer Transport' a registered Goods Transport Agency (GTA) paying IGST @ 12%, transported goods by road of Dilip & Company, a sole proprietary firm (other than specified person) which is not registered under GST or any other Law.

(ii) Mr. Kamal Jain, an unregistered famous author, received ₹ 20 lakhs of consideration from PQR Publications Ltd. for supply of services by way of temporary transfer of a copyright covered under section 13(1) (a) of the Copyright Act, 1957 relating to original literary works of his new book. [4 Marks]

Question 3(a): The goods manufactured by Rasmi Ltd. have been exempted from GST with effect from 15th November 2024. Earlier these goods were liable to tax @ 18%. Its inputs were liable to GST @ 12%. Following information is supplied on 15th November 2024:

- The inputs costing ₹2,00,000 are lying in stock.
- The inputs costing ₹50,000 are in process.
- The finished goods valuing ₹5,00,000 are in stock, the input cost is 50% of the value.
- Total Credit balance in electronic credit ledger account ₹3,00,000.
- Capital goods purchased on 10.7.2020 for ₹3,00,000 by paying GST 28%.

Determine the amount to be payable under GST.

[5 Marks]

Question 3(b): J P Charitable institution, an entity registered under Section 12AA of Income Tax Act, 1961 and registered in GST, has furnished you the following details with respect to the activities undertaken by it. You are required to compute its Taxable Value of GST from the information given below, assuming the rate of GST is 18%. Brief reasoning should be part of your answer. [5 Marks]

Particulars	Amount (₹) Excluding GST
Membership fees received from members	10,00,000
Amount received for advancement of educational programs relating to abandoned or orphaned or homeless children	4,00,000
Amount received for renting of commercial property owned by Trust	5,00,000
Amount received for counselling of terminally ill person	3,50,000
Fees charged for Yoga Camp conducted by Trust	2,00,000
Amount received relating to presentation of Forest & Wildlife	6,00,000

Question 4(a): Mr. Lakhan provides Continuous Supply of Services (CSS) to M/s. TNB Limited. He furnishes the following further information: **[3 Marks]**

- (i) Date of commencement of Providing CSS - 01-10-20XX
- (ii) Date of completion of Providing CSS - 31-01-20X1
- (iii) Date of receipt of payment by Mr. Lakhan - 30-03-20X1

Determine the time of issue of invoice as per provisions of CGST Act, 2017, in the following circumstances:

- (i) If no due for payment is agreed upon by both under the contract of CSS.
- (ii) If payment is linked to the completion of service.
- (iii) If M/s. TNB Limited has to make payment on 25-03-20X1 as per the contract between them.

Question 4(b): (i) Pranesh has deposited a sum of ₹ 5,000 under the head of 'Fee' column of Cess and ₹ 4,000 was lying unutilized under the head of 'Penalty' column of IGST. Both the deposits were made wrongly instead of depositing under the head of Fee column under SGST.

In the light of the provisions of section 49(10) & 49(11) of the CGST Act, 2017, briefly explain the relevant provisions as how can Pranesh rectify these errors?

(ii) M/s Sakura Enterprises made an inter- State supply of taxable goods valued at ₹ 47,500 and exempt goods valued at ₹2,000. Rate of IGST for taxable supply was 6%. Determine, with brief reasons, whether e-way bill generation is mandatory for the above supply made by M/s Sakura Enterprises. **(2x2=4 Marks)**

Question 4(c): Discuss the place of supply in the following cases: **[1x3= 3 Marks]**

- ABC Inc. supplies services to a recipient in Gujarat, but the billing is done from its Mumbai office.
- GHI Pvt. Ltd. supplies goods from its warehouse in Maharashtra to a customer in Telangana.
- MNO Ltd. supplies software to a customer in Rajasthan, with the software downloaded from the company's server in Delhi.