

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086.
(For candidates admitted during the academic year 2023-24)

B.Com. DEGREE EXAMINATION APRIL 2026
ACCOUNTING & FINANCE
SIXTH SEMESTER

COURSE : MAJOR – CORE
PAPER : BUSINESS TAXATION
SUBJECT CODE : 23AF/MC/BT64
TIME : 3 HOURS

MAX. MARKS: 100

SECTION A				
Q.No.	Answer all the Questions	(5x2=10)	CO	KL
1	State the meaning of MAT.		1	K1
2	Write a note on Duty drawback.		1	K1
3	X (registered person) purchased goods from Y (unregistered person) on 1.10.2024 for Rs. 50,000. Tax rate is 18%. Who is liable to pay tax in this case?		1	K1
4	State the importance of Debit note under GST.		1	K1
5	Arun Traders, wholesale readymade garment dealer of Delhi has supplied, goods value Rs.2,50,000 to retail dealer of Gwalior excluding following items: a. Packing for transport - Rs. 5,000 b. Freight and Insurance - Rs. 15,000 5% trade discount is allowed by the dealer on transaction value of supply. Rate of IGST is 5%. Calculate invoice value and GST payable.		1	K1
SECTION B				
Q.No.	Answer any four questions	(4x5=20)	CO	KL
6	What are E-Way Bills?		2	K2
7	An Indian dealer imported 30 machines from USA at 200 dollars per machine. However, the following expenses are not included in it: a. Packing charges 10 dollars per machine. b. Transportation charges to Indian Port 100 dollars. c. Transit insurance premium 30 dollars. d. Brokerage (excluding buying commission) 60 dollars The dealer incurred the following expenses after delivery at the port: a. Transportation charges from port to his godown Rs. 3,000 b. Insurance premium Rs.500 c. Octroi – Rs. 2,000 Compute assessable value to determine Customs duty. Exchange rate is 1 dollar = Rs.60.		2	K2
8	Discuss any five merits and demerits of Goods and Services Act.		2	K2

9	Mr. Rahul, a service provider, supplies service to Mr. Murali on 28 th August 2024 and raised an invoice on 30 th September 2024 amounting to Rs.1,00,000 on 3 month's credit period and Mr. Murali paid Rs.1,00,000 on 31 st January 2025. Mr. Rahul charged Rs.200 as penalty and interest at 1% per month for delay in payment. Mr. Murali paid such amount of penalty on 21 st February 2025. What will be the time of supply in the given facts assuming taxes are in addition to the amounts stated above?	2	K2
10	Differentiate between Composite supply and Mixed supply with example.	2	K2
11	Mr. Raman supplied material worth Rs.2,00,000 chargeable to tax at 12% during the month of September 2024. He purchased raw material of Rs.1,00,000 chargeable to tax at 18% from a registered person. He also took services of a lawyer for Rs.1,00,000 which is chargeable to tax under reverse charge at 18%. Calculate the amount of tax payable by Mr. Raman.	2	K2
Q.No.	SECTION C Answer the following questions (4x10=40)	CO	KL
12	a) Explain the provisions of Customs Duty relating to Assessment and Refund. Or b) Explain the levy of Goods and Service Tax.	3	K3
13	a) The total income of XYZ Ltd., a domestic company, computed under the normal provisions of Income Tax Act is Rs.2,50,000. However, the book profits of the company (calculated as per section 115JB) amount to Rs.8,15,000. Calculate the tax liability of the company as per the normal provisions and MAT for Assessment Year 2025-26 on the assumption that the total turnover of the company for the previous year 2024- 25 did not exceed 400 crores. Or b) The following are the particulars of income of a Company for the AY 2025-26. Calculate the total income of the income after setting off all losses. Speculation loss – Rs.10,000 Hosiery business loss – Rs.6,000 Rolling steel Mill profit (before charging depreciation of Rs.10,000) – Rs.8,000 Profit from another business – Rs.5,000 Profit from Agency business – Rs.3,000 Income from house property – Rs.2,000 Gold speculation profit – Rs.20,000 Short term capital gain – Rs.4,000 Short term capital loss – Rs.6,000 Long term capital gain – Rs.7,000 Long term capital loss – Rs.5,000	3	K3

14	<p>a) Explain provisions relating to place of supply and time of supply for GST.</p> <p style="text-align: center;">Or</p> <p>b) Examine the services provided by the GST Network.</p>	4	K4
15	<p>a) Mr. Suresh , a supplier of goods, pays GST under regular scheme. Mr. X is not eligible for any threshold exemption. He has made the following outward taxable supplies in a tax period: Intra –State supply of goods – Rs.8,00,000 Inter- State supply of goods – Rs.3,00,000 He has also furnished the following information in respect of purchases made by him in that tax period: Inter-State purchases of goods – Rs.3,00,000 Inter –State purchases of goods – Rs. 50,000 Mr. X has following ITCs with him at the beginning of the tax period: CGST – Rs.30,000 SGST – Rs.30,000 IGST – Rs.70,000 Compute the net GST payable by Mr. X during the tax period. Rate of GST -18%.</p> <p style="text-align: center;">Or</p> <p>b) X Co. imported goods from America. From the following information determine the Customs duty payable:</p> <p>(i) Cost of goods - \$ 15,000 (ii) Packing charges - \$3,000 (iii) Paid commission in India to the broker who arranged the deal abroad - \$10,000 (iv) Freight from America to Indian Port - \$2,000 (v) Insurance Premium - \$1,000 (vi) Exchange rate: a. Declared by the board 1 dollar = Rs.60.00 b. Declared by the R.B.I 1 dollar = Rs.60.50 (vii) Rate of basic customs duty – 10% (viii) Integrated tax u/s 3(7) of Customs Tariff Act, 1975 @ 12%.</p>	4	K4
SECTION D			
Q.No.	Answer any two questions	(2x15=30)	CO KL
16	Explain the different types of Customs Duty and its exemptions in detail.	5	K5
17	Elaborate in detail the different types of GST and the registration process for GST.	5	K5

18	<p>The Statement of Profit and Loss of Bharat Ltd. a domestic Co., disclosed a net profit of Rs.15,75,000 for the financial year 2024-25. The summarised statement is as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Items charged</th> <th style="width: 15%;">Amount</th> <th style="width: 30%;">Items credited</th> <th style="width: 25%;">Amount</th> </tr> </thead> <tbody> <tr> <td>Opening stock</td> <td style="text-align: right;">40,000</td> <td>Sales</td> <td style="text-align: right;">70,00,000</td> </tr> <tr> <td>Purchases</td> <td style="text-align: right;">18,35,000</td> <td>Closing stock</td> <td style="text-align: right;">1,00,000</td> </tr> <tr> <td>Direct wages</td> <td style="text-align: right;">8,00,000</td> <td>Dividend from Indian Company</td> <td style="text-align: right;">5,000</td> </tr> <tr> <td>Freight inward</td> <td style="text-align: right;">10,000</td> <td>Bad debts recovered</td> <td style="text-align: right;">2,000</td> </tr> <tr> <td>Salaries</td> <td style="text-align: right;">5,00,000</td> <td></td> <td></td> </tr> <tr> <td>General expenses</td> <td style="text-align: right;">3,00,000</td> <td></td> <td></td> </tr> <tr> <td>Sales expenses</td> <td style="text-align: right;">2,00,000</td> <td></td> <td></td> </tr> <tr> <td>M.D. Remuneration</td> <td style="text-align: right;">5,00,000</td> <td></td> <td></td> </tr> <tr> <td>Directors sitting fees</td> <td style="text-align: right;">50,000</td> <td></td> <td></td> </tr> <tr> <td>Income Tax</td> <td style="text-align: right;">3,00,000</td> <td></td> <td></td> </tr> <tr> <td>GST Penalty</td> <td style="text-align: right;">1,10,000</td> <td></td> <td></td> </tr> <tr> <td>Proposed dividend</td> <td style="text-align: right;">4,00,000</td> <td></td> <td></td> </tr> <tr> <td>Provision for losses of subsidiary</td> <td style="text-align: right;">3,00,000</td> <td></td> <td></td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;">1,00,000</td> <td></td> <td></td> </tr> <tr> <td>Excise duty</td> <td style="text-align: right;">80,000</td> <td></td> <td></td> </tr> </tbody> </table> <p>Additional Information:</p> <ol style="list-style-type: none"> 1. General expenses include <ol style="list-style-type: none"> a. Festival celebration expenses Rs.5,000 b. Diwali Pooja expenses Rs.5,000 c. Donation to P.M. National relief fund Rs.10,000 2. Sales expenses include 1,000 diaries distributed to dealers involving an expenditure of Rs.50,000. 3. Excise duty related to the previous year 2023-24 Rs.10,000 was paid during the current year. 4. Bad debts recovered during the year relates to the previous year 2023-24 and were earlier allowed. 5. Brought forward business losses and depreciation <table style="margin-left: 40px; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">As per books</th> <th style="text-align: center;">For tax purchase</th> </tr> </thead> <tbody> <tr> <td>B/F business loss</td> <td style="text-align: right;">1,50,000</td> <td style="text-align: right;">3,00,000</td> </tr> <tr> <td>Unabsorbed depreciation</td> <td style="text-align: right;">1,00,000</td> <td style="text-align: right;">2,00,000</td> </tr> </tbody> </table> <p>Calculate:</p> <ol style="list-style-type: none"> a. Total income and tax liability as per normal provisions of IT Act for AY 2025-26. b. Book profits and tax liability under 115JB. c. Ultimate Tax Liability for the Company. 	Items charged	Amount	Items credited	Amount	Opening stock	40,000	Sales	70,00,000	Purchases	18,35,000	Closing stock	1,00,000	Direct wages	8,00,000	Dividend from Indian Company	5,000	Freight inward	10,000	Bad debts recovered	2,000	Salaries	5,00,000			General expenses	3,00,000			Sales expenses	2,00,000			M.D. Remuneration	5,00,000			Directors sitting fees	50,000			Income Tax	3,00,000			GST Penalty	1,10,000			Proposed dividend	4,00,000			Provision for losses of subsidiary	3,00,000			Depreciation	1,00,000			Excise duty	80,000				As per books	For tax purchase	B/F business loss	1,50,000	3,00,000	Unabsorbed depreciation	1,00,000	2,00,000	5	K5
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