

SUGGESTED ANSWERS

TAX CS EXECUTIVE

DECEMBER 2014

By

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Faculty of face to face & online classes for

CA Final : Direct Taxes

CS Executive: Tax Law

CS Professional: Advance Tax

(face to face & online)

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available at www.tax4cs.com**

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Hello Friends,

Following are the suggested answers of CS Executive tax paper held on 23-12-2014 which was organised by ICSI. Four sets of question paper were framed Coded as A, B, C & D. Questions asked in all set were same but renumbered.

Disclaimer: Following are correct options as per author; however students are advised to wait for suggested answer to be issued by ICSI for the purpose of reconciliation. Opinion is solely rendered by author & same may be different from the assumption taken to frame questions by examiner.

PART A

Code A	Code B	Code C	Code D
Q.16	Q.1	Q.49	Q.26
Option A			

Code A	Code B	Code C	Code D
Q.17	Q.2	Q.50	Q.27
Option A			

Code A	Code B	Code C	Code D
Q.18	Q.3	Q.51	Q.28

Option D

Even Option D is not correct, Amount should be Rs.14,183.

Basic salary shall be $15,600 + 6,000 = 21,600 * 8 \text{ months} = 1,72,800 + 107\% \text{ DA} = 3,57,696$

Tax = $15,770 - 2000 \text{ rebate u/s } 87A = 13,770 + 3\% \text{ EC \& SHEC} = 14,183.$

How does option D is calculated by examiner:

$15,770 + 3\% = 16,243 - 2,000 \text{ rebate u/s } 87A = 14,243$

This is only opinion of Author, question might have been framed on certain assumptions where tax payable can also be NIL

Code A	Code B	Code C	Code D
Q.19	Q.4	Q.52	Q.29
Option B			

Code A	Code B	Code C	Code D
Q.20	Q.5	Q.53	Q.30

Option B

Code A	Code B	Code C	Code D
Q.21	Q.6	Q.54	Q.31

Option A

Code A	Code B	Code C	Code D
Q.22	Q.7	Q.55	Q.32

Option B

Code A	Code B	Code C	Code D
Q.23	Q.8	Q.56	Q.33

Option A

Code A	Code B	Code C	Code D
Q.24	Q.9	Q.57	Q.34

Option D

Code A	Code B	Code C	Code D
Q.25	Q.10	Q.58	Q.35

Option D

Code A	Code B	Code C	Code D
Q.26	Q.11	Q.59	Q.36

Option B

Code A	Code B	Code C	Code D
Q.27	Q.12	Q.60	Q.37

Option B

Code A	Code B	Code C	Code D
Q.28	Q.13	Q.61	Q.38

Option A

Code A	Code B	Code C	Code D
Q.29	Q.14	Q.62	Q.39
Option A			
Code A	Code B	Code C	Code D
Q.30	Q.15	Q.63	Q.40
Option C			
Code A	Code B	Code C	Code D
Q.31	Q.16	Q.64	Q.41
Option A			
Code A	Code B	Code C	Code D
Q.32	Q.17	Q.65	Q.42
Option C			
Code A	Code B	Code C	Code D
Q.33	Q.18	Q.66	Q.43
Option C			
Code A	Code B	Code C	Code D
Q.34	Q.19	Q.67	Q.44
Option A			
Code A	Code B	Code C	Code D
Q.35	Q.20	Q.68	Q.45
Option B			
Code A	Code B	Code C	Code D
Q.36	Q.21	Q.69	Q.46
Option D			
Code A	Code B	Code C	Code D

Q.37	Q.22	Q.70	Q.47
Option C			
Code A	Code B	Code C	Code D
Q.38	Q.23	Q.1	Q.48
Option D			
Code A	Code B	Code C	Code D
Q.39	Q.24	Q.2	Q.49
Option B			
Code A	Code B	Code C	Code D
Q.40	Q.25	Q.3	Q.50
Option D			
Code A	Code B	Code C	Code D
Q.41	Q.26	Q.4	Q.51
Option A			
Code A	Code B	Code C	Code D
Q.42	Q.27	Q.5	Q.52
Option A			
Code A	Code B	Code C	Code D
Q.43	Q.28	Q.6	Q.53
Option B			
Code A	Code B	Code C	Code D
Q.44	Q.29	Q.7	Q.54
Option C			
Code A	Code B	Code C	Code D
Q.45	Q.30	Q.8	Q.55

Option A

Code A	Code B	Code C	Code D
Q.46	Q.31	Q.9	Q.56

Option A

Code A	Code B	Code C	Code D
Q.47	Q.32	Q.10	Q.57

Option A

Code A	Code B	Code C	Code D
Q.48	Q.33	Q.11	Q.58

Option B

Code A	Code B	Code C	Code D
Q.49	Q.34	Q.12	Q.59

Option A

Code A	Code B	Code C	Code D
Q.50	Q.35	Q.13	Q.60

Option C

Code A	Code B	Code C	Code D
Q.51	Q.36	Q.14	Q.61

Option A

Code A	Code B	Code C	Code D
Q.52	Q.37	Q.15	Q.62

Option D

Code A	Code B	Code C	Code D
Q.53	Q.38	Q.16	Q.63

Option C

Code A	Code B	Code C	Code D
Q.54	Q.39	Q.17	Q.64
Option D			

Code A	Code B	Code C	Code D
Q.55	Q.40	Q.18	Q.65
Option A			

Code A	Code B	Code C	Code D
Q.56	Q.41	Q.19	Q.66
Option B			

Code A	Code B	Code C	Code D
Q.57	Q.42	Q.20	Q.67
Option D			

Code A	Code B	Code C	Code D
Q.58	Q.43	Q.21	Q.68
Option B			

Code A	Code B	Code C	Code D
Q.58	Q.44	Q.22	Q.69
Option C			

Code A	Code B	Code C	Code D
Q.60	Q.45	Q.23	Q.70
Option C			

Code A	Code B	Code C	Code D
Q.61	Q.46	Q.24	Q.1
Option B			

Code A	Code B	Code C	Code D

Q.62	Q.47	Q.25	Q.2
Option C			
Code A	Code B	Code C	Code D
Q.63	Q.48	Q.26	Q.3
Option D			
Code A	Code B	Code C	Code D
Q.64	Q.49	Q.27	Q.4
Option B			
Code A	Code B	Code C	Code D
Q.65	Q.50	Q.28	Q.5
Option A			
Code A	Code B	Code C	Code D
Q.66	Q.51	Q.29	Q.6
Option D			
Code A	Code B	Code C	Code D
Q.67	Q.52	Q.30	Q.7
Option C			
Code A	Code B	Code C	Code D
Q.68	Q.53	Q.31	Q.8
Option C			
Code A	Code B	Code C	Code D
Q.69	Q.54	Q.32	Q.9
Option A			
Code A	Code B	Code C	Code D
Q.70	Q.55	Q.33	Q.10

Option B

Code A	Code B	Code C	Code D
Q.1	Q.56	Q.34	Q.11

Option D

Code A	Code B	Code C	Code D
Q.2	Q.57	Q.35	Q.12

Option D

Code A	Code B	Code C	Code D
Q.3	Q.58	Q.36	Q.13

Option C

Code A	Code B	Code C	Code D
Q.4	Q.59	Q.37	Q.14

Option B

Code A	Code B	Code C	Code D
Q.5	Q.60	Q.38	Q.15

Option A

Code A	Code B	Code C	Code D
Q.6	Q.61	Q.39	Q.16

Option C

Code A	Code B	Code C	Code D
Q.7	Q.62	Q.40	Q.17

Option A

Code A	Code B	Code C	Code D
Q.8	Q.63	Q.41	Q.18

Option C

Code A	Code B	Code C	Code D
Q.9	Q.64	Q.42	Q.19
Option C			

Code A	Code B	Code C	Code D
Q.10	Q.65	Q.43	Q.20
Option A			

Code A	Code B	Code C	Code D
Q.11	Q.66	Q.44	Q.21
Option A			

Code A	Code B	Code C	Code D
Q.12	Q.67	Q.45	Q.22
Option A			

Code A	Code B	Code C	Code D
Q.13	Q.68	Q.46	Q.23
Option A			

Code A	Code B	Code C	Code D
Q.14	Q.69	Q.47	Q.24
Option A			

Code A	Code B	Code C	Code D
Q.15	Q.70	Q.48	Q.25
Option B			

PART B

Code A	Code B	Code C	Code D
Q.79	Q.71	Q.89	Q.95
Option B			
Code A	Code B	Code C	Code D
Q.80	Q.72	Q.90	Q.96
Option C			
Code A	Code B	Code C	Code D
Q.81	Q.73	Q.91	Q.97
Option C			
Code A	Code B	Code C	Code D
Q.82	Q.74	Q.92	Q.98
Option D			
Code A	Code B	Code C	Code D
Q.83	Q.75	Q.93	Q.99
Option D [However, ICSI study module sometimes takes 0% rate & exempted as same]			
Code A	Code B	Code C	Code D
Q.84	Q.76	Q.94	Q.100
Option B			
Code A	Code B	Code C	Code D
Q.85	Q.77	Q.95	Q.71
Option A Solution: The default has continued for ten days. The penalty payable by X is computed as follows:— 1% of the amount of default for 10 days = $1/100 \times 8,00,000 \times 10/31 = \text{Rs. } 2,581$ Penalty calculated @ Rs. 100 per day for 10 days = Rs. 1,000			

Penalty liable to be paid is Rs. 2,581

→ Examiner made a mistake here, u/s 76 penalty is calculated for late payment. Interest is covered u/s 75.

Code A	Code B	Code C	Code D
Q.86	Q.78	Q.96	Q.72

Option B

Hint: if invoice is issued within 30 days from completion of services, POT = date of invoice or date of payment, whichever is earlier.

Code A	Code B	Code C	Code D
Q.87	Q.79	Q.97	Q.73

Option C

Hint: Service provider is an individual. For the quarter of July to Sep due date for payment of service tax shall be 5th or 6th of October. Bcoz 4,00,000 is inclusive of service tax, amount of service tax shall be 44,001.

→ Examinaer made a mistake here, please check last line of question (the date of payment of bill service tax and amount....))

Code A	Code B	Code C	Code D
Q.88	Q.80	Q.98	Q.74

Option C

Code A	Code B	Code C	Code D
Q.89	Q.81	Q.99	Q.75

Option D

Hint: ITC is not available if goods are purchased from unregistered dealer, however if a registered dealer sells good goods to unregistered dealer he can take ITC.

Code A	Code B	Code C	Code D
Q.90	Q.82	Q.100	Q.76

Option D

Code A	Code B	Code C	Code D
Q.91	Q.83	Q.71	Q.77

Option A

Code A	Code B	Code C	Code D
Q.92	Q.84	Q.72	Q.78
Option B			
Code A	Code B	Code C	Code D
Q.93	Q.85	Q.73	Q.79
Option D			
Code A	Code B	Code C	Code D
Q.94	Q.86	Q.74	Q.80
Option A			
Code A	Code B	Code C	Code D
Q.95	Q.87	Q.75	Q.81
Option C			
In my opinion, Examiner could have framed this question in a better way...			
Code A	Code B	Code C	Code D
Q.96	Q.88	Q.76	Q.82
Option D			
Hint: no exemption limit under reverse charge.			
Code A	Code B	Code C	Code D
Q.97	Q.89	Q.77	Q.83
Option B			
Code A	Code B	Code C	Code D
Q.98	Q.90	Q.78	Q.84
Option D			
Code A	Code B	Code C	Code D
Q.99	Q.91	Q.79	Q.85
Option A			

Earlier it was Rs.10,00,000 or more. But for December examination it is Rs.1,00,000 or more. However, now e payment is mandatory (June exams onwards).

Code A	Code B	Code C	Code D
Q.100	Q.92	Q.80	Q.86

Option A

Code A	Code B	Code C	Code D
Q.71	Q.93	Q.81	Q.87

Option D

Code A	Code B	Code C	Code D
Q.72	Q.94	Q.82	Q.88

Option A B C

→ Examiner has framed a wrong question :(

Code A	Code B	Code C	Code D
Q.73	Q.95	Q.83	Q.89

Option B

Code A	Code B	Code C	Code D
Q.74	Q.96	Q.84	Q.90

Option C

Code A	Code B	Code C	Code D
Q.75	Q.97	Q.85	Q.91

Option D

Code A	Code B	Code C	Code D
Q.76	Q.98	Q.86	Q.92

Option B

Code A	Code B	Code C	Code D
Q.77	Q.99	Q.87	Q.93

Option A

Code A	Code B	Code C	Code D
Q.78	Q.100	Q.88	Q.94

Option A

About CA Vivek Goel

CA Vivek Goel is a commerce graduate from Delhi University and Fellow member of Institute of Chartered Accountants of India. He had qualified in May 2004 and has been engaged in teaching even before becoming member of institute. He has vast experience of more than 12 years teaching tax laws. He has been visiting faculty of NIRC of ICAI for taxation at PCC / IPCC level. He has also authored few books on taxation for the students of CA IPCC, CS Executive, CMA Inter, B.Com and BBA. He has vast experience of teaching taxation to the students of CA, CS, CWA, B.Com, BBA, MBA & other professional courses. He had been associated with Topper's Institute as Satellite Faculty for the subject of Direct Taxation at CA IPCC & CA Final level. He has rich knowledge of Taxation as he is also associated with few CA Firms as Tax consultant. He has also been faculty at AOC, Bright Vision Academy, DTC & The Tax Hub at CA Final, IPCC, CS Executive, CMA Inter/Final level. Presently, he is associated with VG Tax Hub, Superprofs & tax4cs. More than 8000 students have become part & shared his success band.



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