

# CBSE | DEPARTMENT OF SKILL EDUCATION

## TAXATION (SUBJECT CODE: 822)

### MARKING SCHEME FOR CLASS XII (SESSION 2024-2025)

Max. Time: 3 Hours

Max. Marks: 60

**General Instructions:**

1. Please read the instructions carefully.
2. This Question Paper consists of **24 questions** in two sections – Section A & Section B.
3. Section A has Objective type questions whereas Section B contains Subjective type questions.
4. **Out of the given (6 + 18 =) 24 questions, a candidate has to answer (6 + 11 =) 17 questions in the allotted (maximum) time of 3 hours.**
5. All questions of a particular section must be attempted in the correct order.
6. **SECTION A - OBJECTIVE TYPE QUESTIONS (30 MARKS):**
  - i. This section has 06 questions.
  - ii. There is no negative marking.
  - iii. Do as per the instructions given.
  - iv. Marks allotted are mentioned against each question/part.
7. **SECTION B – SUBJECTIVE TYPE QUESTIONS (30 MARKS):**
  - i. This section contains 18 questions.
  - ii. A candidate has to do 11 questions.
  - iii. Do as per the instructions given.
  - iv. Marks allotted are mentioned against each question/part.

## SECTION A: OBJECTIVE TYPE QUESTIONS

Q. No.	QUESTION	Source Material (NCERT/PSSCIV E/ CBSE Study Material)	Unit/ Chap. No.	Page no. of source material	Marks
<b>Q. 1</b>	<b>Answer any 4 out of the given 6 questions on Employability Skills (1 x 4 = 4 marks)</b>				
i.	Communication is the act of conveying meanings from one entity or group to another through the use of mutually understood signs, symbols and semiotic rules.	NCERT	1	1	1
ii.	b. Obsessive-compulsive personality disorder	NCERT	2	11	1
iii.	Motivation is inner urge to do something and self-motivation is ability to do what needs to be done without the influence or thrust from other people or situations.	NCERT	2	9	1
iv.	a. Title Bar	NCERT	3	14	1
v.	d. It is the inability of an enterprise and an entrepreneur to take risks.	NCERT	4	44-45	1
vi.	Environmental Education teacher is a person who takes up the role of sensitizing young minds and creates acceptance amongst them to contribute in protecting environment.	NCERT	5	66	1
<b>Q. 2</b>	<b>Answer any 5 out of the given 7 questions (1 x 5 = 5 marks)</b>				
i.	(c) Rs,3,00,000	CBSE	1	24	1
ii.	(b) Any assessee	CBSE	1	14	1
iii.	(d) 8 years	CBSE	1	20	1
iv.	(c) 10%	CBSE	1	8	1
v.	(b) Rs. 15,000	CBSE	1	20	1
vi.	(b) Rs.1,50,000	CBSE	1	20	1
vii.	(c) In India, two	CBSE	1	5	1
<b>Q. 3</b>	<b>Answer any 6 out of the given 7 questions (1 x 6 = 6 marks)</b>				
i.	(d) 30%	CBSE	2	39	1
ii.	(b) Rs.3,00,000	CBSE	2	40	1
iii.	(b) 15%	CBSE	2	39	1
iv.	(b) 100% for 5 Assessment year consecutively.	CBSE	2	22	1
v.	(a) Nearest ten rupees	CBSE	2	42	1
vi.	(d) 18.5%	CBSE	2	40	1
vii.	(a)Rs. 2,000	CBSE	2	40	1
<b>Q. 4</b>	<b>Answer any 5 out of the given 6 questions (1 x 5 = 5 marks)</b>				
i.	(b) 194A	CBSE	3	72	1
ii.	(b) Payment under purchase	CBSE	3	83	1
iii.	(a) Salary	CBSE	3	83	1
iv.	(d) 20%	CBSE	3	74	1
v.	(a) Form 16	CBSE	3	79	1
vi.	(d) Rs. 1,80,000	CBSE	3	83	1

<b>Q. 5</b>	<b>Answer any 5 out of the given 6 questions (1 x 5 = 5 marks)</b>				
i.	c)10 Lakhs	CBSE	4	103	1
ii.	d) GSTR-9	CBSE	4	106	1
iii.	C )0%, 5%, 12%, 18% and 28%.	CBSE	4	101	1
iv.	C )15 th of Next month	CBSE	4	106	1
v.	C) GSTR-8	CBSE	4	107	1
vi.	d) 75 Lacs	CBSE	4	110	1
<b>Q 6.</b>	<b>Answer any 5 out of the given 6 questions (1 x 5 = 5 marks)</b>				
i.	(b) 1,500	CBSE	1	36	1
ii.	(c ) 20%	CBSE	2	39	1
iii.	(b ) 80QQB	CBSE	2	39	1
iv.	(b) 194H	CBSE	3	75	1
v.	(b) Rs.2,500	CBSE	3	83	1
vi.	(c) Within three months of the date of cancellation or date of order of cancellation, whichever is later	CBSE	4	107	1

**SECTION B: SUBJECTIVE TYPE QUESTIONS**

Q. No.	QUESTION	Source Material (NCERT/PSSCIVE/ CBSE Study Material)	Unit/ Chap. No.	Page no. of source material	Marks
<b>Answer any 3 out of the given 5 questions on Employability Skills in 20 – 30 words each (2 x 3 = 6 marks)</b>					
7.	Active listening requires four discrete steps. <ul style="list-style-type: none"> <li>• CONTACT—connect with the participant who is contributing; eye contact, open posture, and nonverbal responses.</li> <li>• ABSORB—take in all aspects of the spoken message, implicit and explicit and nonverbal clues. Do not judge or evaluate.</li> <li>• REFLECTIVE FEEDBACK—mirror, reflect, or feedback what you have heard and why the contributor claims to be valid.</li> <li>• CONFIRM—receive confirmation from the speaker that you heard the participant’s message accurately. If not, start the method over again at the beginning by having the speaker restate their view.</li> </ul>	NCERT	1	2	2
8.	According to trait theory, combining a set of observable traits into a group forms an individual’s personality. One popular personality classification is big five. The Big	NCERT	2	11	2

	<p>Five, global traits associated with work . are listed below:</p> <ul style="list-style-type: none"> <li>• Extraversion: Gregarious, assertive and sociable.(Opposite reserved, timid, quiet.)</li> <li>• Agreeableness : Cooperative, warm and agreeable.(Opposite cold, disagreeable and antagonistic)</li> <li>• Conscientiousness : Hardworking, organized and dependable(lazy, disorganized and unreliable)</li> <li>• Emotional stability : Calm, self-confident and cool(insecure, anxious and depressed)</li> <li>• Openness to experience : Creative, curious and cultured(narrow interests)</li> </ul>				
9.	<p>Spreadsheet programs have become very popular because of the following features:</p> <ul style="list-style-type: none"> <li>• Built-in functions make calculations easier, faster, and more accurate.</li> <li>• Large volumes of data can be easily handled and manipulated. <ul style="list-style-type: none"> <li>• Data can be exported to or imported from other software.</li> <li>• Data can be easily represented in pictorial form like graphs or charts.</li> <li>• Formulae are automatically recalculated whenever underlying data values are changed</li> </ul> </li> </ul>	NCERT	3	14	2
10.	<p>Following are the Entrepreneurial Competencies:</p> <ul style="list-style-type: none"> <li>• Taking Initiative: It is about making the first move towards setting up of an enterprise and taking action.</li> <li>• Seeking and Acting on Opportunity: An entrepreneur is always on the look-out or searching for opportunity and is ready to exploit it in the best interests of the enterprise.</li> <li>• Persistence: An entrepreneur is never disheartened by failures and keeps trying, adapting and iterating to overcome obstacles that come in the way of achieving goals.</li> <li>• Information Seeking: A successful entrepreneur always keeps his/her eyes and ears open and is receptive to new ideas which can help in realizing his goals. He/she is always open to consult</li> </ul>	NCERT	4	44-45	2

	with experts and mentors to get the right guidance and advice.				
11.	Environmental engineers provide solutions to environmental problems by using engineering, biology and chemistry. Providing solution to improve the quality of soil for better productivity, devising strategies to generate public electricity using renewable resources like solar street lights etc. is a part of environmental engineering.	NCERT	5	66	2
<b>Answer any 3 out of the given 5 questions in 20 – 30 words each (2 x 3 = 6 marks)</b>					
12.	<p><b>SOLUTION:</b></p> <p>Amount of deduction u/s 80D:</p> <p>Premium in respect of wife Rs 12,000</p> <p>Premium for himself Rs. 8,000</p> <p>Premium in respect of children (not dependent) Nil</p> <p><u>Total Rs 18,000</u></p> <p><b>restricted to Rs 15,000</b></p> <p>Add: Premium in respect of parents (senior citizens) Rs 26,000</p> <p><b>restricted to maximum Rs 20,000</b></p> <p><b>Deduction available u/s 80D Rs 35,000.</b></p>	CBSE	1	10-11	2
13.	<p><b>SOLUTION:</b></p> <p>Income from salary 7,90,000</p> <p>Less: Deduction u/s 80C 1,00,000</p> <p><u>Deduction u/s 80EE 1,00,000</u></p> <p><b>Taxable Income 5,90,000</b></p> <p>Interest = 25,00,000*10/100*1.</p>	CBSE	1	14	2
14.	<p><b>SOLUTION:</b></p> <p>The income of a minor after giving exemption up to Rs. 1,500 per minor child will be clubbed with the income of that parent whose Total Income, before clubbing such income, is greater. However, there are certain incomes which are not to be clubbed.</p> <p>Such income of the minor, which is not to be clubbed, will be assessable in the hands of the representative assessee on behalf of the minor.</p>	CBSE	2	36	2

15.	<p><b>SOLUTION:</b></p> <ul style="list-style-type: none"> <li>• First installment by 15th September, 2022 (Upto 30% of the advance tax payable Rs. 60,000)</li> <li>• Second installment by 15<sup>th</sup> December, 2022 (Upto 60% of the advance tax payable as reduced by amount paid in earlier installments) i.e.,  Rs. 1,20,000 – Rs. 60,000 = Rs. 60,000</li> <li>• Third installment by 15th March, 2023 (Upto 100% of the advance tax payable as reduced by amount paid in earlier installments)  Rs. 80,000</li> </ul>	CBSE	3	88	2														
16.	<p><b>Solution:</b></p> <p>(i) Supply Based Tax: GST is applicable on “supply” of goods or services as against the previous concept of tax on the manufacture of goods or on sale of goods or on provision of services.</p> <p>(ii) Destination-based Consumption Tax: GST is a destination-based tax. This implies that all SGST (or UTGST) collected will ordinarily accrue to the State (or Union Territory) where the consumer of the goods or services receives supply.</p> <p>(iii) Dual GST: Both Centre and States simultaneously have the power to impose GST across the entire supply chain. Centre would levy and collect Central Goods and Services Tax (CGST) and States would levy and collect the State Goods and Services Tax (SGST) on all supplies within a State. (Intra-state supply)</p>	CBSE	4	100	2														
<b>Answer any 2 out of the given 3 questions in 30– 50 words each (3 x 2 = 6 marks)</b>																			
17.	<p><b>Solution:</b></p> <p>According to the particulars of Mr. J:</p> <table border="0"> <tr> <td>Income from salary</td> <td>10,80,000</td> </tr> <tr> <td>Income from house property</td> <td>Nil</td> </tr> <tr> <td>income from other sources</td> <td>Nil</td> </tr> <tr> <td><b>GROSS TOTAL INCOME</b></td> <td><b>10,80,000</b></td> </tr> <tr> <td colspan="2">Less:</td> </tr> <tr> <td>Deduction under section 80G</td> <td>10,000</td> </tr> <tr> <td><b>TOTAL INCOME</b></td> <td><b>10,70,000</b></td> </tr> </table> <p>Working Notes :</p> <p>1. Income from salary –</p>	Income from salary	10,80,000	Income from house property	Nil	income from other sources	Nil	<b>GROSS TOTAL INCOME</b>	<b>10,80,000</b>	Less:		Deduction under section 80G	10,000	<b>TOTAL INCOME</b>	<b>10,70,000</b>	CBSE	2	48-49	3
Income from salary	10,80,000																		
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Less:																			
Deduction under section 80G	10,000																		
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	<p>Salary in India 4,50,000            Salary in New Zealand 6,30,000            Overseas Allowances (exempt) Nil            Value of free residence in New Zealand (exempt) Nil</p> <hr/> <p>Total 10,80,000</p> <hr/> <p>2. Income from house property –            • Self-occupied house is not taxable</p> <p>3. Income from other sources –            • Dividend from an Indian company is exempt from income tax</p> <p>4. Deduction u/s 80G –            • 100% in respect of donation without qualifying limit</p>				
18.	<p><b>Solution:</b></p> <p>The person who deducts tax has to issue a certificate in the prescribed form to the person from whose payments deduction has been made, showing therein the particulars of payment, the date of tax deducted at source and the date of its credit to the Central Government. It is on the basis of this certificate that the payee can claim credit for tax paid on his behalf and can claim refund, if any, due to him on the basis of tax liability for the relevant year.</p> <p>Following certificates have to be issued:</p> <p>a) Form No. 16, if the deduction or payment of tax is under section 192 (in case of salary);</p> <p>b) Form No. 16A if the deduction is under any other provision of Chapter XVII-B (cases other than salary).</p>	CBSE	3	78-79	3
19.	<p>Following are the advantages of introducing GST to Manufacturers and Traders:</p> <p>1. Easy Compliance: A robust and comprehensive IT system is the foundation of the GST regime in India. Therefore, all tax payer services such as Registrations, Returns, Payments, etc. are available to the taxpayers online, which also makes compliance easy and transparent.</p> <p>2. Uniformity of Tax Rates and Structures: GST ensures that indirect tax rates and structures are common across the country, thereby increasing</p>	CBSE	4	105	3

	<p>certainty and ease of doing business. In other words, GST make doing business in the country tax neutral, irrespective of the choice of place of doing business.</p> <p>3. Removal of Cascading: A system of seamless tax-credits throughout the entire supply chain, and across boundaries of States, ensures that there is no cascading of taxes. This reduces hidden costs of doing business.</p> <p>4. Increase in Competitiveness: The new regime reduce the cost of locally manufactured goods and services. This has increased the competitiveness of Indian goods and services in the international market and give boost to Indian exports. The uniformity in tax rates and procedures across the country has helped in reducing the compliance cost.</p>				
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**Answer any 3 out of the given 5 questions in 50– 80 words each (4 x 3 = 12 marks)**

20.	<p>Individuals and Hindu Undivided family (HUF) are eligible for deduction under Section 80 C, from gross total income equivalent to investment made of Rs. 1,50,000 whichever is less.</p> <p>Apart from Insurance Premium, following are the Investments which are eligible for deduction u/s 80 C of the Act:</p> <ol style="list-style-type: none"> <li>1. Any contribution made by an individual towards statutory provident fund and recognized provident fund.</li> <li>2. Any contribution to a PPF by individual or HUF.</li> <li>3. Subscription to National Savings Certificates</li> <li>4. Contributions for participation in any notified Unit-Linked Insurance Plan of the LIC Mutual Fund.</li> <li>5. Only tuition fees (excluding any payment towards any development fees or donation or payment of similar nature), whether at the time of admission or thereafter, to any university, college, school or other educational institution situated</li> </ol>	CBSE	1	4-5	4
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	<p>within India for full time education and allowed only for 2 children of such individuals.</p> <p>6. Any installment or part payment towards the cost of purchase/construction of a residential property to a housing board or co- operative society (or repayment of housing loan taken</p> <p>(1+1+1+1 marks)</p>				
21.	<p><b>Solution:</b></p> <ul style="list-style-type: none"> <li>• Resident Author (or Joint Author) is eligible for deduction in Respect of Royalty Income of Authors (Section 80QQB) upto 100% of such income; or Rs. 3,00,000; whichever is less.</li> <li>• Deduction under 80QQB can be claimed on the royalty or copyright fees (payable in lump sum or otherwise) or lump sum consideration for transfer (or grant) of any interest in the copyright of the book authored by him which is work of literacy, artistic or scientific nature (excluding text-books for schools, tracts and other publications of similar nature, by whatever name called).</li> <li>• Deduction is also allowed if the assessee furnishes a copy of the certificate in Form no. 10CCD to the Assessing Officer from the person responsible for paying the income (whenever asked for examining).</li> </ul> <p>A Resident Individual is eligible for deduction in Respect of Royalty Income on Patents under Section 80RRB upto 100% of such income or Rs. 3, 00,000; whichever is less.</p> <ul style="list-style-type: none"> <li>• Deduction under 80RRB can be claimed on the royalty received on respect of patent (he may be a co-owner of a patent) which is registered.</li> <li>• Deduction under this section is also allowed if the assessee furnishes a copy of the certificate in Form no. 10CCE to the Assessing officer from the person responsible for paying the income (whenever asked for examining).</li> </ul>	CBSE	1	24-25	4

	<ul style="list-style-type: none"> <li>When the eligible income is earned outside India, such income is brought into India in convertible foreign exchange on or before September 30 of the assessment year in order to avail deduction under this section. A certificate of foreign inward remittance should be taken in Form no. 10H from a prescribed authority (i.e., RBI or an authorized bank).</li> </ul>				
22.	<p>An individual is liable to pay tax in respect of the following incomes :</p> <p>i) Income Earned By an Individual himself in his individual capacity.</p> <p>ii) Income Earned as a Partner of a Firm or a Limited Liability Partnership, detailed as under:</p> <p>(a) The share of profit from a partnership firm or a limited liability partnership, is exempt from tax at the time of individual assessment of the partner;</p> <p>(b) The remuneration by way of salary, bonus, commission, etc., received by a partner, is taxable as business income in the hands of a partner [Section 28(v)];</p> <p>(c) Interest on capital or loan to a firm or limited liability partnership, in which he is a partner, is also assessed as income from business.</p> <p>iii) As a Member of an Association of Persons, Etc.: Where an individual is member of an association of persons or body of individuals, his share of income from such AOP/ BOI shall be taxed as under:</p> <p>a) Where the Income of Association of Persons or Body of Individuals is Chargeable at Maximum Marginal Rate: Share of income of a member from such AOP or BOI will not be included in his taxable income at all.</p> <p>b) Where the Income of AOP or BOI is Taxed at Normal Rates i.e. The Rates Applicable to an Individual: Share of income of a member from such AOP or BOI will be included in the taxable income of the individual only for rate purposes and a relief under section 86 shall be allowed.</p>	CBSE	2	36-37	4

	<p>c) Where No Income Tax is Chargeable on the Income of the AOP or BOI: Share of income of a member from such AOP or BOI will be chargeable to tax as part of his total income.</p> <p>iv) Income of the Other Persons Included in the Income of the Individual: the income of other persons will also be included in the individual's total income under respective heads of income.</p>				
23.	<p><b>Solution:</b> Following are the duties of person(s) deducting tax at source:</p> <ol style="list-style-type: none"> <li>1. Every person responsible for deducting tax at source shall at the time of payment or credit of income, whichever is earlier, must deduct such tax as per the prescribed rates and deposit such tax deducted in the Central Government Account within the prescribed time .</li> <li>2. Such person is required to issue a certificate of tax deduction at source u/s 203 to the person from whose income the TDS has been done, in the prescribed form, i.e., Form No.16A or 16 within prescribed time</li> <li>3. A return of TDS containing details of payments made and taxes deducted thereon along with other prescribed details are to be submitted in form 26Q by the deductors.</li> <li>4. The deductor may file the statement of TDS on computer readable media.</li> </ol> <p><b>RIGHTS:</b></p> <ol style="list-style-type: none"> <li>1. The person from whose income (payment) the tax has been deducted i.e. Payee or assessee shall not be asked upon to pay the tax himself to the extent tax has been deducted Moreover such tax deducted at source shall be treated as payment of tax on behalf of the payee (assessee).</li> <li>2. Payee (tax payer) is entitled to obtain a certificate from the payer (tax deductor) in Form 16-A specifying the amount of tax deducted and other prescribed particulars.</li> <li>3. The prescribed income tax authority or the person authorized by such authority will be required to deliver to the person from whose income the tax has been</li> </ol>	CBSE	3	80-81	4

	deducted/ paid, a statement of deduction of tax in the prescribed form (Form no.26AS) by the 31st July following the financial year during which the taxes were deducted/ paid.				
24.	<p><b>Solution:</b></p> <p>The basic concept of GST is based on providing the set-off for the tax paid on the inputs used and this is given effect through the concept of input tax credit. This input tax credit means setting off the amount of input tax by a registered dealer against the amount of his output tax. The GST is based on the value addition to the goods and the related tax liability of the dealer can be arrived at by the supplier by discharging input tax credit from tax collected on supplies during the payment period. The credit would be permitted to be utilized in the following manner:</p> <ul style="list-style-type: none"> <li>• ITC of CGST allowed for payment of CGST &amp; IGST in that order.</li> <li>• ITC of SGST allowed for payment of SGST &amp; IGST in that order.</li> <li>• ITC of IGST allowed for payment of IGST, CGST &amp; SGST in that order.</li> <li>• ITC of CGST cannot be used for payment of SGST and vice versa.</li> </ul> <p><b>HIERARCHY OF UTILISATION OF INPUT TAX CREDIT (ITC)</b></p> <p>Accounts would be settled periodically between the Centre and the States to ensure that the credit of SGST used for discharge of IGST is transferred to the consumer state. Similarly the IGST used for payment of SGST would be transferred by the Centre to the Importing State.</p> <p>Further the SGST portion of IGST collected on B2C supplies would also be transferred by the Centre to the destination State. The transfer of funds would be carried out on the basis of information contained in the Returns filed by the taxpayers.</p> <p>ITC cannot be availed on invoices more than one year old. The ITC of tax paid on goods and/or services used for making taxable supplies by a taxable person</p>	CBSE	4	103-104	4

<p>(receiver) will be allowed subject to four conditions:</p> <ul style="list-style-type: none"><li>• He is in possession of tax invoice.</li><li>• He has received the goods or services.</li><li>• Tax has been actually paid by supplier to Government.</li><li>• The valid return is filed under section 39.</li></ul>				
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