

CBSE | DEPARTMENT OF SKILL EDUCATION

TAXATION (SUBJECT CODE: 822)

MARKING SCHEME FOR CLASS XII (SESSION 2022-2023)

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/PSS CIVE/ CBSE Study Material)	Unit/ Chap. No.	Page no. of source material	Marks
Q. 1	Answer any 4 out of the given 6 questions on Employability Skills (1 x 4 = 4 marks)				
i.	a. Positive Attitude	NCERT	2	24	1
ii.	Understanding one's own needs, desires, habits, traits, behaviours and feelings is termed as self-awareness.	NCERT	2	43	1
iii.	Ctrl+u	NCERT	3	68	1
iv.	b. Data	NCERT	3	62	1
v.	b. It is the inability of an enterprise and an entrepreneur to take risks.	NCERT	4	80	1
vi.	a. Service entrepreneurs	NCERT	4	82	1
Q. 2	Answer any 5 out of the given 7 questions (1 x 5 = 5 marks)				
i.	Individual or HUF only	CBSE	1	4	1
ii.	d Rs. 3,00,000	CBSE	1	19	1
iii.	Rs. 25,000	CBSE	1	10	1
iv.	(d) Short term capital gain.	CBSE	1	3	1

v.	b. Any assessee	CBSE	1	14	1
vi.	8 years	CBSE	1	13	1
vii.	(b) In India, two	CBSE	1	5	1
Q. 3	Answer any 6 out of the given 7 questions (1 x 6 = 6 marks)				
i.	b @4%	CBSE	2	37	1
ii.	(c) Rs.3,00,000	CBSE	2	40	1
iii.	a. Nearest ten rupees	CBSE	2	37	1
iv.	a. 12500	CBSE	2	40	1
v.	d. 30%	CBSE	2	39	1
vi.	c 18.5%.	CBSE	2	41	1
vii.	15%	CBSE	2	39	1
Q. 4	Answer any 5 out of the given 6 questions (1 x 5 = 5 marks)				
i.	(d) 194A	CBSE	3	72	1
ii.	b) 30 days	CBSE	3	83	1
iii.	a. Salary	CBSE	3	70	1
iv.	d 12,000	CBSE	3	74	1
v.	Form 16	CBSE	3	79	1
vi.	Director General of Income Tax	CBSE	3	80	1
Q5	Answer any 5 out of the given 6 questions (1 x 5 = 5 marks)				
i.	d 20 lakhs	CBSE	4	103	1
ii.	b. 10th of Next Month	CBSE	4	106	1
iii.	Three	CBSE	4	106	1
iv.	GSTR-10	CBSE	4	107	1
v.	d. 10 lacs	CBSE	4	103	1
vi.	b. Output tax	CBSE	4	109	1
Q 6.	Answer any 5 out of the given 6 questions (1 x 5 = 5 marks)				
i.	10,000	CBSE	1	25	1
ii.	b. 1,500	CBSE	2	36	1
iii.	20%	CBSE	2	39	1
iv.	20%	CBSE	3	76	1
v.	(b) Rs.15,000	CBSE	3	75	1
vi.	c. 4500	CBSE	4	73	1

SECTION B: SUBJECTIVE TYPE QUESTIONS

Q. No.	QUESTION	Source Material (NCERT/PSSC IVE/ CBSE Study Material)	Unit/ Chap. No.	Page no. of source material	Marks
Answer any 3 out of the given 5 questions on Employability Skills in 20 – 30 words each (2 x 3 = 6 marks)					
Q.7	The five stages of active listening are as follows. 1. Receiving: It involves listening attentively. 2. Understanding: It is an informed agreement about something or someone.	NCERT	2	16	2

	<p>3. Remembering: It refers to the retrieval or recall of some information from the past.</p> <p>4. Evaluating: It is about judging the value, quantity, importance and amount of something or someone.</p> <p>5. Responding: It is about saying or doing something as a response to something that has been said or done</p>				
Q.8	<p>Intrinsic motivation includes activities for which there is no apparent reward but one derives enjoyment and satisfaction in doing them. It occurs when people are internally motivated to do something because it brings them pleasure. They think it is important or feel what they are learning is significant. Incentives related to the motive or goal can satisfy one's needs.</p>	NCERT	2	35	2
Q.9	<p>Presentation softwares are being widely used to make digital presentations. It has many advantages, which are as follows.</p> <p>1. They are interesting as they have features like images, videos, animation and music.</p> <p>2. Making changes in digital presentations is easy.</p> <p>3. A digital presentation can be shown to a much larger audience by projecting on a screen.</p> <p>4. The presentation can be printed and distributed to the audience</p>	NCERT	3	74	2
Q.10	<p>The term 'social innovator' is used interchangeably with social entrepreneurs Social entrepreneurs are Individuals, who focus on developing solutions that benefit the society, are called social entrepreneurs. They develop, fund and implement solutions that are directed towards society, culture and environment.</p>	NCERT	4	95	2
Q.11	<p>An entrepreneur who starts a business, nurtures it and makes it reach a point of self-sustenance.</p>	NCERT	4	94	2

	Once the project reaches that point, the entrepreneur sells the business and starts a new one, and then, follows the same cycle				
Answer any 3 out of the given 5 questions in 20 – 30 words each (2 x 3 = 6 marks)					
Q.12	<p>Eligible: Only to an individual (who is not entitled to House Rent Allowance).</p> <p>Quantum: i) Rent paid minus 10% of the adjusted total income, ii) Rs. 5,000 per month, or iii) 25% of the adjusted total income, whichever is less.</p> <p>“Adjusted total income” means Gross Total Income Less: Long term capital gain Short term capital gain (u/s 111A) All deduction except 80GG</p>	CBSE	1	17	2
Q.13	<p>a. Quantum of deduction in case of senior citizen is ₹ 50,000 (instead of ₹ 25,000) shall be allowed in case any of the persons mentioned above is a i.e., an individual resident in India of the age of 60 years or more at any time during the relevant previous year.</p> <p>b Deduction in respect of insurance premium paid for person below 60 years of age is maximum ₹ 25,000</p>	CBSE	1	20	2
Q.14	Rebate under section 87A: In order to provide tax relief to the individual tax payers who are in the 5% tax slab, section 87A provides a rebate from the tax payable by an assessee, being an individual resident in India, whose total income does not exceed Rs 5,00,000 The rebate shall be equal to the amount of income-tax payable on the total income for any assessment year or an amount of Rs 12,500 whichever is less .	CBSE	2	40	2
Q.15	Interest other than Interest on Securities (Section 194A) Rs. 1,500	CBSE	3	82	2
Q.16	In such cases, the assessee can make an application to the Assessing Officer for deduction of tax at a lower rate or for	CBSE	4	78	2

	<p>non-deduction of tax.</p> <p>If the Assessing Officer is satisfied that the total income of the recipient justifies the deduction of income-tax at lower rates or no deduction of income-tax, as the case may be, he may give to the assessee such certificate, as may be appropriate.</p> <p>Where the Assessing Officer issues such a certificate, then the person responsible for paying the income shall deduct income-tax at such lower rates specified in the certificate or deduct no tax, as the case may be, until such certificate is cancelled by the Assessing Officer. Enabling powers have been conferred upon the CBDT to make rules for prescribing the procedure in this regard.</p>				
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Answer any 2 out of the given 3 questions in 30– 50 words each (3 x 2 = 6 marks)

Q.17	<table border="1"> <thead> <tr> <th data-bbox="343 842 686 884">Particulars</th> <th data-bbox="686 842 893 884">Amount</th> </tr> </thead> <tbody> <tr> <td data-bbox="343 884 686 1142">Income from Salary (computed) less loss from House property set off maximum to Rs 2,00,000</td> <td data-bbox="686 884 893 1142">5,20,000 (2,00,000) 3,20,000</td> </tr> <tr> <td data-bbox="343 1142 686 1366">Long term Capital Gains less Loss from Medical business set off</td> <td data-bbox="686 1142 893 1366">1,60,000 (1,20,000) 40,000</td> </tr> <tr> <td data-bbox="343 1366 686 1444">Income from other Sources</td> <td data-bbox="686 1366 893 1444">80,000</td> </tr> <tr> <td data-bbox="343 1444 686 1478">Gross Total Income</td> <td data-bbox="686 1444 893 1478">4,40,000</td> </tr> </tbody> </table>	Particulars	Amount	Income from Salary (computed) less loss from House property set off maximum to Rs 2,00,000	5,20,000 (2,00,000) 3,20,000	Long term Capital Gains less Loss from Medical business set off	1,60,000 (1,20,000) 40,000	Income from other Sources	80,000	Gross Total Income	4,40,000	CBSE	2	48	3
Particulars	Amount														
Income from Salary (computed) less loss from House property set off maximum to Rs 2,00,000	5,20,000 (2,00,000) 3,20,000														
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Income from other Sources	80,000														
Gross Total Income	4,40,000														
Q.18	<p>Where the employer has deducted the tax at source but failed to deposit wholly or partly, the tax so deducted in government account, the following statutory provisions are attracted:-</p> <p>a) Interest u/s 201(1A) : The deductor is treated as an assessee in default and interest u/s 201(1A) is leviable @ 1.5% for every month or part of the month on the amount of such tax from the date on which such tax was deducted to the date on which such tax is actually paid. Further, the tax along with the simple interest u/s 201(1A) becomes</p>	CBSE	3	82	3										

	<p>a charge upon all the assets of the deductor.</p> <p>b) Penalty u/s 221 : Penalty to the extent of tax not deposited is leviable by the A.O.</p> <p>c) Prosecution Proceedings u/s 276 B : Where the deductor has failed to deposit tax deducted at source, in Government account without a reasonable cause then he is punishable with rigorous imprisonment for a term extends from 3 months to 7 years and with fine (2+1 marks)</p>				
Q.19	<p>The Centre would levy and collect the Integrated Goods and Services Tax (IGST) on: (i) All inter-State supply of goods and services in India. (ii) Inter-state stock transfers of goods. (iii) Import of goods / services. (iv) Export of goods / services. The IGST mechanism has been designed to ensure seamless flow of input tax credit from one State to another. The inter-State supplier would pay IGST on the supply of his goods and/ or services to the Central Government, which will be collected by the Central Government as IGST. The importing consumer(dealer/ manufacturer) will claim credit of IGST while discharging his output tax liability (both CGST and SGST) in his own State. Centre will transfer to the importing State the credit of IGST used in payment of GST (2+1 marks)</p>	CBSE	4	100	3
Answer any 3 out of the given 5 questions in 50– 80 words each (4 x 3 = 12 marks)					
Q.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. Apart from Insurance Premium, following are the Investments which are eligible for deduction u/s 80 C of the Act:</p>	CBSE	1	4-5	4

	<p>i) Any contribution made by an individual towards statutory provident fund and recognized provident fund.</p> <p>ii) Any contribution to a PPF by individual or HUF.</p> <p>iii) Subscription to National Savings Certificates</p> <p>iv) Contributions for participation in any notified Unit-Linked Insurance Plan of the LIC Mutual Fund.</p> <p>v) 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 within India for full time education and allowed only for 2 children of such individuals.</p> <p>vi) 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>				
<p>Q.21</p>	<p>Solution:</p> <p>Income from salary 3,40,000 Income from house property 50,000 Income from capital gains Long term gain 1,20,000 less: Short term loss (20,000) 1,00,000 GROSS TOTAL INCOME 4,90,000 Less: Deduction under section 80C (4,700) Less: Deduction under section 80D (27,000) Less: Deduction under section 80DD (1,25,000) Less: Deduction under section 80E (90,000) Less: Deduction under section 80G (10,000) TOTAL INCOME 2,33,300</p>	<p>CBSE</p>	<p>1</p>	<p>27-28</p>	<p>4</p>

Q.22	<p>Solution:</p> <p>Income from House Property 8,000</p> <p>(-) Loss of past year (10,000) NIL</p> <p>To be carried forward (2,000)</p> <p>Profit gains from personal business 25,000</p> <p>(-) Business Loss (30,000) NIL</p> <p>(5,000)</p> <p>Income under Head Capital Gain</p> <p>Income from Salary 6,00,000</p> <p>Short term capital gain 68,000</p> <p>Long term capital gain 17,000</p> <p>6,85,000</p>	CBSE	2	46-47	4
Q.23	<p>Following are the duties of Persons deducting Tax at Source</p> <p>(i) Deduct Tax at Correct Rate and Deposit in Government Account (Sec. 200) : 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 prescribed time.</p> <p>(ii) Issue a TDS Certificate : 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</p> <p>.</p> <p>Following are the rights of Tax Payer:</p> <p>(i) Credit of TDS : 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 (Sec.205). Moreover such tax deducted at source shall be treated as payment of tax on behalf of the payee (assessee)</p>	CBSE	3	80-81	4

	(ii) Form 26 AS : 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 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 (1+1+1+1 marks)				
Q.24	<p>Following are the advantages of Introducing GST :</p> <p>FOR TRADERS AND MANUFACTURERS</p> <p>1. Easy Compliance: All tax payer services such as Registrations, Returns, Payments, etc. are available to the taxpayers online, which makes compliance easy and transparent.</p> <p>a. Uniformity of Tax Rates and Structures :GST ensures that indirect tax rates and structures are common across the country, thereby increasing certainty and ease of doing business.</p> <p>b. FOR CONSUMERS</p> <p>1. Reduction in Overall Tax Burden From the consumer point of view: The biggest advantage is in terms of a reduction in the overall tax burden on goods and services.</p> <p>2. Reduction in Prices of Goods & Services: Due to Elimination of Cascading in the GST system, taxes for both Centre and State are collected at the point of supplies. Both are charged on the manufacturing cost or service provision cost. Also, the credit of GST paid on inputs at every stage of supply chain is available for the discharge of GST liability on the output, thereby ensuring GST is charged only on the component of value addition at each stage. This ensures that there is no 'tax on tax' in the country (2+2 marks)</p>	CBSE	4	105-106	4