Skillshort

Self-Study Preparation Pack

CA INTERMEDIATE

Paper 3: Taxation

Past Papers – Trend Analysis, Question Patterns & Official Links

Covers new-scheme attempts Sept 2025 – Sept 2026 in detail · Official ICAI download links for all attempts

Paper structure | Attempt-wise map | Question-type patterns | Examiner comments | Official links

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This subject pack has 6 parts

1 Chapter-wise notes
2 Important topics & weightage
3 Past papers: trends & links
4 Mock tests + solutions
5 Chapter practice questions
6 Last-week plan & strategy

Prepared by Skillshort for self-study. Original explanations and questions; not an official ICAI/ICMAI/ICSI publication. Items marked VERIFY should be checked against the latest official material.

1. How to use ICAI past papers (and why we don't reprint them)

ICAI owns the copyright in its question papers and suggested answers. This file gives a **trend analysis** and **direct official links** – download the papers from ICAI, attempt them in 3 hours, then compare with ICAI's suggested answers.

STRATEGY The 3-pass method for tax past papers

Pass 1 (untimed, open notes): solve Q1 and Q5 of every paper with the notes open – build the computation format. **Pass 2 (timed, 3 hours):** the full paper; mark every number you looked up. **Pass 3 (compare):** check against ICAI's answer **line by line** – but **re-compute with A.Y. 2026-27 law** (slabs, thresholds and TDS limits changed by Finance Act 2025).

2. Paper structure (new scheme)

Part	Content	Marks
Section A – MCQs	15 marks: 1–2 case scenarios (5–6 MCQs) + 1–2 independent MCQs (income tax)	15
Section A – Q1 (compulsory)	Comprehensive computation of total income and tax under **both regimes**, with advice	15
Section A – Q2–Q4 (any two)	Each 10 marks: (a) 6 marks computation + (b) 4 marks TDS/return/theory (OR choice in Q4(b))	2 × 10 = 20
Section B – MCQs	15 marks: one GST case scenario (5–6 MCQs) + independent MCQs	15
Section B – Q5 (compulsory)	(a) 10-mark GST liability computation + (b) 5-mark value/ITC problem	15
Section B – Q6–Q8 (any two)	Each 10 marks: 5 + 5; Q8 usually theory (OR choice in Q8(b))	2 × 10 = 20

Each section is answered in a **separate part** of the answer book as instructed; working notes form part of the answer.

3. Attempt-wise question map (descriptive)

Attempt	Q1	Q2	Q3	Q4
Sept 2025	Textile manufacturer (58) – PGBP adjustments, additional depreciation (not allowed in default regime), power tariff concession as business income, NPS 14% limit, gift from father, 80GGC – both regimes	(a) Residential status of a CA visiting abroad – 3 situations · (b) TDS u/s 194Q and 194C	(a) LTCG on land acquired in 2002 – indexation option and surcharge · (b) Salary – rent-free accommodation, car, video camera, laptop	(a) Working partner in two firms – GTI under both regimes, s. 24(b) repair loan ₹30,000, betting loss, share of loss · (b) Persons exempt from advance tax **or** T/F on revised and updated returns
Jan 2026	Interior designer + publishing business – depreciation on solar lighting, additional depreciation, cash payment for books, CG on machine – both regimes	(a) HUF residential status (karta's stay abroad), coffee – agricultural vs business income · (b) TDS – 194A interest, 194N cash withdrawal	(a) Government company employee – medical treatment and travel abroad perquisites · (b) Gifts – marriage gifts, SDV on agreement date	(a) Set-off under default regime – let-out interest, SOP loss · (b) T/F – due date for a non-working partner **or** advance tax and interest
May 2026	Tyre manufacturer (64) – mercantile accounts, PGBP adjustments, both regimes	(a) Indian citizen employed in UAE returning to India – residential status · (b) TDS/TCS in independent cases	(a) Manager in Dhanbad – salary with perquisites · (b) Apartment booked in 2020-21, possession 2025 – SDV vs consideration	(a) Dealership business + other incomes – set-off and carry forward · (b) Due dates/time limits (updated return etc.) **or** who must file a return

Attempt	Q1	Q2	Q3	Q4
Sept 2026	Owner of partly self-occupied, partly let-out building + other incomes – comprehensive computation	(a) Fees for technical services and other incomes – computation · (b) TDS/TCS cases with rate and amount	(a) PSU GM – salary, allowances and retirement benefits · (b) Who verifies the return (s. 140)	(a) Widow with family pension – set-off and carry forward · (b) Real-estate developer – unsold flats/completion certificate **or** interest u/s 234B/234C

Attempt	Q5	Q6	Q7	Q8
Sept 2025	(a) Supplier in Kochi – post-supply discount, ITC on construction blocked, renting of commercial property (forward charge) – minimum cash · (b) Dealer in Mumbai – accommodation ₹18,000 p.m. exempt, advance for goods, import of professional services (RCM)	(a) Trader in Jaipur – ITC on event management with food (composite supply), truck ITC · (b) Place of supply – transportation of goods to unregistered person, etc.	(a) Supplier in Rajasthan and Tripura – aggregate turnover (exclude RCM inward supplies), compulsory registration · (b) E-way bill and bill-to-ship-to	(a) Rule 86B · (b) GSTR-1 exceptions and debarment **or** ECO sellers exempt from registration
Jan 2026	(a) Supplier in Bengaluru – machine hire with operator (composite), stock transfer to same-GSTIN branch, RCM 180-day rule · (b) Value of supply – NGO vs State Government subsidy	(a) GTA advance by unregistered partnership firm – RCM time of supply · (b) Wellness centre (s. 12AB) – exemption and value	(a) Interest on late GSTR-3B – Rule 88B · (b) E-invoicing applicability and exempt entities	(a) Schedules I/II/III classification · (b) Seamless credit; Aadhaar alternatives in registration **or** credit notes
May 2026	(a) Company in Gandhinagar – various supplies, GST liability · (b) Proprietorship trader – ITC and liability	(a) Manufacturer in Bengaluru – ITC on inward supplies · (b) Airline – passenger transport supplies, PoS/exemptions	(a) PSU – TDS u/s 51 · (b) Records for works contracts – Rule 56(14)	(a) Specified actionable claims · (b) Revised tax invoice **or** annual return exemption (s. 44)
Sept 2026	(a) Company in Pune – various supplies, liability · (b) Service provider – output supplies	(a) Import of services from a foreign associated enterprise – time of supply · (b) Inter-State purchase – IGST credit utilisation	(a) Goods sent through transporter – e-way bill/value · (b) Rule 14A simplified registration	(a) Post-sale discount – Circular 251/08/2025 · (b) Record retention in appeals; constitutional pillars

Map prepared by Skillshort from ICAI suggested answers; sub-part splits may differ slightly in the official papers.

MCQ themes seen

Attempt	Income tax	GST
Sept 2025	Three flats – SOP/deemed let out; arrears of rent; clubbing of spouse salary (substantial interest); 80D	Housing society – exempt supply, ITC, gross liability; temporary registration; printing contracts; credit note time limit
Jan 2026	Residential status; income under correct head; TDS on parking charges (194-I); capital gains, IFOS and tax for one case	Composition exit – ITC on stock and capital goods (s. 18), CMP-08, e-way bill validity, GTA; TDS by local authority; record retention
May 2026	Slump sale – net worth and capital gain; TDS; clubbing of gifted property (wife vs major son); NPS deduction; advance tax; FPI	Effective date of registration; composition tax; import of services as supply; invoice date; place of supply; ITC-01 on withdrawal; interest on late GSTR-3B; ECO seller
Sept 2026	Renounced rights; bonus shares; capital gains; clubbing of minor's income; revised return; s. 44ADA; unexplained gold (s. 69A/115BBE)	Advance for works contract; taxable value; PoS; time of supply; GST TDS on Government supplies; e-way bill acceptance (72 hours); revocation; e-invoice applicability

4. Question-type patterns (what ICAI really tests)

Pattern	How it is asked	How to score
Both-regime computation	"Compute total income and tax liability under default and optional regimes; advise"	Show **two columns**; footnote each item not allowed in the default regime; end with a one-line advice
Items "debited/credited" in P&L	10–15 adjustments to net profit	Take net profit, then add/less each item with the **section and reason** in a working note
Multi-case TDS/TCS	3–4 independent payments	Section → threshold → rate → amount (or "no TDS" with reason)
True/false with reasons	Return filing, advance tax, set-off	State T/F first, then the provision
GST liability – Q5	List of 8–12 transactions	Table: value, CGST/SGST/IGST, with a note per item (taxable/exempt/RCM/not supply); then ITC table and utilisation (s. 49/49A/49B)
GST theory	Reproduce a provision/rule	Section/rule number + every condition + an example

5. Examiners' comments – where students lose marks

COMMON MISTAKE **From ICAI's "Examiners' Comments" (Sept 2025 and Jan 2026)**

- Q1: **additional depreciation** not added back under the default regime; wrong rate on a solar lighting system; missed that depreciation on books is allowed when no cash payment exceeds ₹10,000; **no advice** after computing both regimes.
- NPS employer contribution: not restricted to **14% of basic + DA** (default regime); industrial power tariff concession taxed as IFOS instead of business income; gift from father wrongly taxed; s. 80GGC claimed for advertisement in a political party brochure (not allowed to an individual).
- Capital gains: not computing LTCG **without indexation in total income** (for surcharge) while comparing the indexation option.
- TDS: wrong section (194J instead of **194A** for interest); TDS on the whole amount instead of the **excess over the threshold** (194N, 194Q); wrong rate for 194C (1% for individuals/HUF).
- Salary: incorrect perquisite value of medical treatment/travel abroad; standard deduction ₹75,000 used under the optional regime (₹50,000).
- Set-off: ₹2 lakh cap applied to a **let-out** house; SOP loss set off under the **default regime**; share of loss from a firm and **betting loss** adjusted.
- Returns: unaware that a return can be **revised more than once**, and that an updated return can be filed after a loss return if the updated return is a return of income.
- GST: hiring machinery with operators treated as **mixed** instead of **composite** supply; **stock transfer within the same GSTIN** treated as supply; ITC reversed for 180 days on **RCM** supplies; **advance for goods** taxed; NGO subsidy treated like a Government subsidy; GTA under RCM missed; Rule 88B interest computation reversed; vague answer on **seamless flow of credit**.
- GST registration: inward RCM supplies **not excluded** from aggregate turnover; liability to register due to RCM in one State missed; bill-to-ship-to e-way bill answered vaguely.

6. Official ICAI links (download here)

Resource	Link
Suggested answers – Intermediate, September 2026	https://www.icai.org/post/sugg-ans-inter-sep2026
Suggested answers – Intermediate, May 2026	https://www.icai.org/post/sugg-ans-inter-may2026
Suggested answers – Intermediate, January 2026	https://www.icai.org/post/sugg-ans-inter-jan2026

Resource	Link
Suggested answers – Intermediate, September 2025	https://www.icai.org/post/sugg-ans-inter-sep2025
BoS – Previous year suggested answers	https://boslive.icai.org/education_content.php?c=intermediate&p=Previous+Year+Suggested+Answers
BoS – Question papers (new scheme)	https://boslive.icai.org/education_content.php?c=intermediate&p=Question+Papers+New+Scheme
BoS – Revision Test Papers (RTP) – January 2027 list	https://boslive.icai.org/education_content_rtp.php?c=Intermediate
BoS – Mock Test Papers (MTP)	https://boslive.icai.org/education_content.php?c=intermediate&p=Mock+Test+Papers
Study material – Intermediate (new scheme)	https://boslive.icai.org/education_content_study_material_new_scheme.php?c=intermediate
Section-wise weightage – Intermediate (issued 26-10-2023)	https://resource.cdn.icai.org/76830bos61899-inter.pdf
Skill-wise weightage (new scheme)	https://resource.cdn.icai.org/84798skill-wise-weightage.pdf

Attempt	Paper 3 – Suggested answers (official PDF)
Sept 2026	https://resource.cdn.icai.org/94855bos-aps6590-sep2026-sa3.pdf
May 2026	https://resource.cdn.icai.org/92874bos-sa-int-may2026-p3.pdf
Jan 2026	https://resource.cdn.icai.org/91201bos-aps4356-sa-int-p3.pdf
Sept 2025	https://resource.cdn.icai.org/89272bos-aps3012-int-p3.pdf
May 2025	Section A: https://resource.cdn.icai.org/87255bos-sa-int-may2025-g1-p3a.pdf · Section B: https://resource.cdn.icai.org/87256bos-sa-int-may2025-g1-p3b.pdf
Jan 2025	https://resource.cdn.icai.org/84877bos68360-p3.pdf
RTP January 2027 – Paper 3	https://resource.cdn.icai.org/94898bos-aps6603-jan2027-p3.pdf
Statutory update – Income tax (to 30-6-2026)	https://resource.cdn.icai.org/92919bos-aps2378-int-p3a-statutory-sep2026.pdf
Examiners' comments (Group I)	Jan 2026: https://resource.cdn.icai.org/91581bos-aps4356-int-ec-g1.pdf · Sept 2025: https://resource.cdn.icai.org/89724bos-aps3356-int-sep2025-g1.pdf · May 2025: https://resource.cdn.icai.org/87261bos-sa-int-may2025-g1-comment.pdf

NOTE Old answers use older law

Answers up to Jan 2026 are for **A.Y. 2025-26** (old 87A rebate ₹25,000/₹7 lakh, old default slabs, old TDS thresholds). For January 2027 use **A.Y. 2026-27** (Finance Act 2025) and GST law up to **30 June 2026**.