Skillshort

Self-Study Preparation Pack

CMA INTERMEDIATE

Paper 7: Direct and Indirect Taxation (DITX)

Important Topics, Weightage & Question Frequency

For the December 2026 term · Based on ICMAI study weightage and the four latest papers (Dec 2024, June 2025, Dec 2025, June 2026) · A.Y. 2026-27 law

ICMAI weightage | Frequency in 4 papers | Priority list | Numbers that score

Contents

1. ICMAI study weightage 2
2. Frequency map – descriptive questions (Q2–Q8) 2
3. Priority list 3
4. MCQ favourites (Q1) 3

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. ICMAI study weightage

Section	Module	Weight	Approx. marks
A – Direct taxation (50%)	1 Basics – concepts, residential status, agricultural income, exempt incomes	10%	10
	2 Heads of income – salaries, house property, PGBP (incl. 43A, 43AA, 43B, 44AB, 44AD, 44ADA, 44AE), capital gains, other sources	**25%**	25
	3 Total income and tax liability – clubbing, set-off, deductions, rebate, relief, AMT, advance tax, TDS/TCS, returns, PAN, self-assessment	15%	15
B – Indirect taxation (50%)	4 Concept of indirect taxes, erstwhile taxes, constitutional validity	5%	5
	5 GST – supply, charge, RCM, exemptions, composition, time/place/value, ITC, liability, registration, invoice, e-way bill, returns, payment	**35%**	35
	6 Customs – definitions, types of duties, valuation, assessable value and duty	10%	10

How the paper actually distributes marks (four latest papers): **Q1** – about **6 income-tax MCQs and 9 indirect-tax MCQs** (2–3 of them on customs); **Q2–Q5** – income tax (each a 7 + 7 computation); **Q6** – indirect-tax theory (features of indirect taxes, direct vs indirect, GST Council, subsumed taxes); **Q7** – GST case studies (person liable under RCM, composition, value of supply, ITC); **Q8** – GST liability computation + **customs assessable value** (every paper). Answering five of seven, most students take **three income-tax questions + Q6 + Q8**, or four income-tax + Q8.

2. Frequency map – descriptive questions (Q2–Q8)

Topic	Dec 2024	June 2025	Dec 2025	June 2026
Residential status / capital vs revenue	Capital vs revenue receipts	**Residential status** (citizen of Indian origin)	–	**Residential status** (foreign national)
Salaries	Retired employee (Kaul)	Employee computation	General manager (Suresh)	Finance manager – full salary
House property	Residential property (Ramesh)	–	Let-out property (Sejal)	**Co-owned flat** (two brothers)
PGBP	**Firm** – partners' interest and salary, 40A, depreciation; CMA professional (Ajit)	Retail trader (44AD)	Goods carriages (**44AE**)	Multiple businesses (Shetty)
Capital gains	Commercial plot (s. 50C value)	**ESOP shares** and s. 54F	Residential house – **s. 54**	Residential building – **s. 54EC** bonds
Total income and tax	Two computations	Two computations	Two computations	**AMT** with s. 80JJAA and SEZ unit (old regime)
Indirect tax theory (Q6)	Features of indirect taxes; GST Council members and recommendations	Direct vs indirect; GST Council	Features of indirect taxes; subsumed Central and State taxes	Seven differences direct vs indirect; GST Council functions
GST cases (Q7)	Person liable (RCM); insurance – value	Person liable (RCM); supply contract	GST liability (Jitesh); ITC case	**Composition eligibility**; independent cases
GST liability + customs (Q8)	Car manufacturer liability; **customs AV by air**	GSTR-1 details; **customs AV – car by ship**	QRMP scheme; **customs valuation rules**	Manufacturer liability; **customs AV – machine from UK**

TREND What this tells you

- **Customs valuation is in Q8 of every paper** – learn Rule 10 additions, the 20% / 1.125% rules and the BCD → SWS → IGST chain. It is the easiest 7 marks in Section B.
- **Q6 is pure theory every time** – features of indirect taxes, direct vs indirect, the GST Council (Art. 279A) and subsumed taxes. Prepare four ready answers.
- **Capital gains with exemptions (54, 54EC, 54F)** come in every paper; residential status in two of four.
- The June 2026 paper tested **AMT** for an individual who opted out of s. 115BAC – learn ATI and the AMT credit.

3. Priority list

Priority	Topics	Why
★★★ Must do	Residential status; salary computation (allowances, perquisites, retirement benefits); house property (let-out, self-occupied, co-owned); capital gains with ss. 54/54EC/54F and 50C; total income under default vs old regime; customs AV; GST liability with ITC; RCM list; composition	Every paper
★★ Important	PGBP adjustments (40A(3), 43B, 40(a)(ia), depreciation); 44AD/44ADA/44AE; clubbing; set-off and carry forward; Chapter VI-A deductions; AMT; place of supply; time of supply; value of supply; registration; e-way bill	Two or three papers
★ Do once	Agricultural income (partial integration, Rules 7A/7B/8); s. 10 exemptions; advance tax and interest; TDS/TCS thresholds; self-assessment and intimation; returns and QRMP; types of customs duties	MCQ material

4. MCQ favourites (Q1)

Area	Typical MCQ
Income tax	Clubbing of a minor's income (special talent – not clubbed); saplings in a nursery = agricultural income; s. 54/54F – who can claim; s. 80JJAA; TDS on lottery; specified employee; family pension standard deduction; period of holding; medical expenditure – s. 80D
GST concepts	What is not a supply; ITC on goods received in instalments; place of supply of food on board; e-commerce operator liability (hotel accommodation); SEZ supply = zero-rated inter-State; value of supply inclusions; credit note time limit; electronic cash ledger form (GST PMT-05)
Composition	Threshold for services (s. 10(2A) – ₹50 lakh); exit on crossing the limit; withdrawal; return CMP-08 / GSTR-4
Customs	Indian customs waters (contiguous zone); EEZ limit (200 nautical miles); identical goods definition; s. 14(2) tariff value; s. 8B safeguard duty period (10 years); s. 9 countervailing duty on subsidy