Skillshort

Self-Study Preparation Pack

CMA INTERMEDIATE

Paper 7: Direct and Indirect Taxation (DITX)

Last-Week Revision Plan & Exam Strategy

For the December 2026 term (Paper 7 on Monday 14 December 2026, 2–5 pm) · 7-day plan · 3-hour strategy · A.Y. 2026-27

7-day plan | Time allocation | Computation formats | Numbers to memorise

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This subject pack has 6 parts

1 Chapter-wise notes
2 Important topics & weightage
3 Past papers: trends & links
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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. Seven-day plan

Group I papers: **P5 Thu 10 Dec, P6 Sat 12 Dec, P7 Mon 14 Dec, P8 Wed 16 Dec 2026**. Most of the last week overlaps with P5 and P6 – start tax revision early and use the plan below for the final passes; the **Sunday 13 December** is the key full day for P7.

PLAN **Day-by-day**

Day	Session 1	Session 2
D-7 (Mon 7 Dec)	Ch 1–3: rates, rebate, residential status, agricultural income, s. 10	Practice Sets 1 and 6 (agricultural part)
D-6 (Tue 8 Dec)	Ch 4–5: salaries (perquisites, retirement benefits) and house property	Practice Set 2; D1
D-5 (Wed 9 Dec)	Ch 6–8: PGBP (43B, 40A, 44AD/ADA/AE), capital gains with exemptions, other sources	Mock 1 – Q2 to Q5 only (2 hours)
D-4 (Thu 10 Dec)	(P5 exam day) Evening: Ch 9–14 – clubbing, set-off, deductions, AMT, TDS, returns	Practice Set 3
D-3 (Fri 11 Dec)	Ch 15–22: indirect-tax concepts, GST Council, supply, RCM, composition, place, time and value	Practice Set 4; Q6 theory answers
D-2 (Sat 12 Dec)	(P6 exam day) Evening: Ch 23–29 – ITC, registration, e-way bill, returns, **customs valuation**	Practice Sets 5 and 6; D11
D-1 (Sun 13 Dec)	**Mock 2 (3 h)** or the June 2026 ICMAI paper	Formula and number sheet; customs format; rates and rebate

EXAM TIP **What to revise on the last day**

Slabs and rebate (default ₹12 lakh/₹60,000; old ₹5 lakh/₹12,500), standard deduction (₹75,000/₹50,000), capital-gains rates (12.5%, 20%, ₹1.25 lakh exemption), s. 54/54EC/54F conditions, the RCM list, composition limits, e-way bill rules and the customs AV format.

2. Exam-hall strategy (3 hours)

Time	Action
First 10 minutes	Read the paper; choose **5 of Q2–Q8**. Q6 (theory) and Q8 (GST liability + customs) are the quickest; pick the three income-tax questions you can compute fully
0:10 – 0:45	**Q1 – 15 MCQs** – 9 of them are GST and customs; do them first
0:45 – 2:50	Five questions, about **25 minutes each**
2:50 – 3:00	Check that each computation states the **regime**, the **assessment year** and the final rounded tax

STRATEGY **Answer-writing rules for tax**

- Begin with "**Computation of total income of Mr. X for A.Y. 2026-27**" and state the regime.
- One line per item with the **section number** and a short reason; items not taxable or not deductible are shown with "Nil – reason".
- Round total income to the nearest ₹10 (s. 288A) and tax to the nearest ₹10 (s. 288B).
- GST: classify each line – taxable/exempt/RCM/zero-rated/non-supply – then ITC eligible/blocked, then utilisation order (IGST first, then CGST/SGST cross-utilisation rules).
- Customs: FOB → additions → CIF in foreign currency → AV at CBIC rate → BCD → SWS → IGST; round each duty.

3. Numbers to memorise

Area	Numbers
Rates A.Y. 2026-27	Default: 0–4 L nil, 4–8 L 5%, 8–12 L 10%, 12–16 L 15%, 16–20 L 20%, 20–24 L 25%, above 24 L 30%; rebate up to ₹60,000 (TI ≤ ₹12 L, marginal relief); old regime 2.5/3/5 L basic exemption, rebate ₹12,500 (TI ≤ ₹5 L); cess 4%
Salary	Standard deduction ₹75,000 / ₹50,000; gratuity ₹20 lakh; leave encashment ₹25 lakh; employer NPS 14% (default) / 10%
House property	30% standard deduction; self-occupied interest ₹2,00,000 (old regime only); pre-construction interest in 5 instalments
PGBP	40A(3) ₹10,000 (₹35,000 transporters); 44AD 6%/8%, ₹3 crore; 44ADA 50%, ₹75 lakh; 44AE ₹7,500 per month (goods carriage ≤ 12 MT); 44AB ₹1 crore/₹10 crore
Capital gains	Listed shares > 12 months; LTCG 12.5% (s. 112A exempt ₹1.25 lakh); STCG 111A 20%; 54EC ₹50 lakh within 6 months; 54/54F ₹10 crore cap
AMT	18.5% of ATI; ATI > ₹20 lakh; credit 15 years; not under 115BAC
GST	Registration ₹40/20/10 lakh; composition ₹1.5 crore (₹75 lakh special States), services ₹50 lakh at 6%; ITC – 180 days payment, 30 November time limit; e-way bill ₹50,000, 200 km per day
Customs	Freight 20% of FOB (air cap 20%); insurance 1.125%; SWS 10% of BCD; IGST on AV + BCD + SWS; customs waters 24 nm; EEZ 200 nm; safeguard duty up to 10 years

REMEMBER **Five examiner warnings for December 2026**

1. Use the **Income-tax Act, 1961** as amended by the Finance Act, 2025 (A.Y. 2026-27) – not the Income-tax Act, 2025.
2. An **RNOR** is a resident for rebate u/s 87A – but foreign income from a business controlled abroad is not taxable.
3. AMT does not apply to anyone under the **default regime**.
4. In customs, **buying commission** and post-importation charges are never added; the **CBIC** rate, not the RBI rate, is used.
5. GST and Customs apply as amended up to **31 May 2026** – check the ICMAI December 2026 supplementary for Paper 7.