

**Marking Scheme**  
**Strictly Confidential**  
**(For Internal and Restricted use only)**  
**Senior Secondary School Examination, 2026 (XII<sup>th</sup>)**  
**SUBJECT NAME : Taxation (Q.P. CODE : 822/346)**

**General Instructions: -**

<b>1</b>	The CBSE has decided to introduce On Screen Marking (OSM) for the evaluation of Class XII answer Book with the 2026 Examination.
<b>2</b>	You are aware that evaluation is the most important process in the actual and correct assessment of the candidates. A small mistake in evaluation may lead to serious problems which may affect the future of the candidates, education system and teaching profession. To avoid mistakes, it is requested that before starting evaluation, you must read and understand the spot evaluation guidelines carefully.
<b>3</b>	<b>“Evaluation policy is a confidential policy as it is related to the confidentiality of the examinations conducted, evaluation done and several other aspects. Its leakage to public in any manner could lead to derailment of the examination system and affect the life and future of millions of candidates. Sharing this policy/document to anyone, publishing in any magazine and printing in Newspaper/Website, etc. may invite action under various rules of the Board and IPC.”</b>
<b>4</b>	Evaluation is to be done as per instructions provided in the Marking Scheme. It should not be done according to one’s own interpretation or any other consideration. Marking Scheme should be strictly adhered to and religiously followed. <b>However, while evaluating, answers which are based on latest information or knowledge and/or are innovative, they may be assessed for their correctness otherwise and due marks be awarded to them. In Class-XII, while evaluating two competency-based questions, please try to understand given answer and even if reply is not from marking scheme but correct competency is enumerated by the candidate, due marks should be awarded.</b>
<b>5</b>	The Marking scheme carries only suggested value points for the answers. These are in the nature of Guidelines only and do not constitute the complete answer. The students can have their own expression and if the expression is correct, the due marks should be awarded accordingly.
<b>6</b>	The Head-Examiner must go through the first five answer books evaluated by each evaluator on the first day, to ensure that evaluation has been carried out as per the instructions given in the Marking Scheme. If there is any variation, the same should be zero after deliberation and discussion. The remaining answer books meant for evaluation shall be given only after ensuring that there is no significant variation in the marking of individual evaluators.
<b>7</b>	Evaluators will mark ( ✓ ) wherever answer is correct. For wrong answer CROSS ‘X’ be marked. Evaluators will not put right (✓) while evaluating which gives an impression that answer is correct and no marks are awarded. <b>This is most common mistake which evaluators are committing.</b>
<b>8</b>	If a question has parts, please award marks on the right-hand side for each part in the OSM Portal. Marks awarded for different parts of the question will be totaled up by the OSM System.
<b>9</b>	If a question does not have any parts, marks must be awarded in the left-hand margin in the OSM Portal. This may also be followed strictly.

10	No marks to be deducted for the cumulative effect of an error. It should be penalized only once.
11	A full scale of marks _____ (example 0 to 80/70/60/50/40/30 marks as given in Question Paper) has to be used. Please do not hesitate to award full marks if the answer deserves it.
12	Every examiner has to necessarily do evaluation work for full working hours i.e., 8 hours every day and evaluate 20 answer books per day in main subjects and 25 answer books per day in other subjects (Details are given in Spot Guidelines). This is in view of the reduced syllabus and number of questions in question paper.
13	<p>Ensure that you do not make the following common types of errors committed by the Examiner in the past :-</p> <ul style="list-style-type: none"> <li>• Answers marked as correct, but marks not awarded. (Ensure that the right tick mark is correctly and clearly indicated. It should merely be a line. Same is with the X for incorrect answer.)</li> <li>• Half or a part of answer marked correct and the rest as wrong, but no marks awarded.</li> </ul>
14	While evaluating the answer books if the answer is found to be totally incorrect, it should be marked as cross (X) and awarded zero (0) Marks.
15	The Examiners should acquaint themselves with the guidelines given in the <b>“Guidelines for Spot Evaluation”</b> before starting the actual evaluation.
16	The candidates are entitled to obtain photocopy of the Answer Book on request on payment of the prescribed processing fee. All Examiners/Additional Head Examiners/Head Examiners are once again reminded that they must ensure that evaluation is carried out strictly as per value points for each answer as given in the Marking Scheme.
17	<b>If a candidate attempts both alternatives/options in a question where only one option/ alternative is required to be attempted, the Evaluator shall award marks in both the options. The system will take the higher of two scores and disregard the other response.</b>
18	<b>In a question having two options/alternatives, if a candidate has attempted only one, then the evaluator shall mark “NA” (Not attempted) against the option that has not been attempted by the candidate.</b>

**MARKING SCHEME**  
**Taxation (Subject Code-822)**  
**(PAPER CODE : 346) (P3460822)**

Q.No.	EXPECTED ANSWER/VALUE POINTS	Marks
	Answer any 4 out of given 6 questions in employability skills	<b>4x1=4 marks</b>
<b>1.</b>	<p>(i) An entrepreneur is a person who starts, organizes and manages a business or new venture, taking financial risks in the hope of making a profit. [Step 1,1 mark]</p> <p>(ii) (B) Generating [Step 1,1 mark]</p> <p>(iii) (D) Distorted [Step 1,1 mark]</p> <p>(iv) (C) Imperative [Step 1,1 mark]</p> <p>(v) Sender = The sender is the person who sends the message. [Step 1,0.5 mark]</p> <p style="padding-left: 40px;">Receiver = The receiver is the person who gets the message sent by the sender. [Step 2,0.5 mark]</p> <p>(vi) Formal [Step 1,1 mark]</p>	<p style="text-align: center;"><b>1</b></p> <p style="text-align: center;"><b>1</b></p> <p style="text-align: center;"><b>1</b></p> <p style="text-align: center;"><b>1</b></p> <p style="text-align: center;"><b>1</b></p> <p style="text-align: center;"><b>1</b></p>
	Answer any 4 out of given 6 questions	<b>4x1=4 marks</b>
<b>2.</b>	<p>(i) (A) Atal Bihari Vajpayee [Step 1,1 mark]</p> <p>(ii) (A) 4% [Step 1,1 mark]</p> <p>(iii) (D) Using Extra Time [Step 1,1 mark]</p> <p>(iv) (D) Stopping people to create waste[Step 1,1 mark]</p> <p>(v) (B) Central Government [Step 1,1 mark]</p> <p>(vi) (D) Foreign Tourists [Step 1,1 mark]</p> <p>(vii) (A) Interstate [Step 1,1 mark]</p>	<p style="text-align: center;"><b>1</b></p> <p style="text-align: center;"><b>1</b></p> <p style="text-align: center;"><b>1</b></p> <p style="text-align: center;"><b>1</b></p> <p style="text-align: center;"><b>1</b></p> <p style="text-align: center;"><b>1</b></p> <p style="text-align: center;"><b>1</b></p>

	Answer any 6 out of given 7 questions	<b>6x1=6 marks</b>
<b>3.</b>	<p>(i) E-TDS stands for Electronic tax deducted at source. It means online submission of TDS returns by the deductor [Step 1,1 mark]</p> <p>(ii) (D) 1,80,000 [Step 1,1 mark]</p> <p>(iii) (C) 40 Lakhs [Step 1,1 mark]</p> <p>(iv) (A) ` 12,500 [Step 1,1 mark]</p> <p>(v) (B) Payment under purchase [Step 1,1 mark]</p> <p>(vi) (B) Any Assessee [Step 1,1 mark]</p> <p>(vii) (B) 15,000 [Step 1,1 mark]</p>	<p><b>1</b></p> <p><b>1</b></p> <p><b>1</b></p> <p><b>1</b></p> <p><b>1</b></p> <p><b>1</b></p> <p><b>1</b></p>
	Answer any 5 out of given 6 questions	<b>5x1=5 marks</b>
<b>4.</b>	<p>(i) (D) Section 80C [Step 1,1 mark]</p> <p>(ii) (B) five [Step 1,1 mark]</p> <p>(iii) (C) 30% [Step 1,1 mark]</p> <p>(iv) (D) 80 years [Step 1,1 mark]</p> <p>(v) Advance tax receipts help the government to get a constant flow of income throughout the year so that expenses can be incurred rather than receiving all tax payments at the end of the year. [Step 1,1 mark]</p> <p>(vi) Individual only [Step 1,1 mark]</p>	<p><b>1</b></p> <p><b>1</b></p> <p><b>1</b></p> <p><b>1</b></p> <p><b>1</b></p> <p><b>1</b></p>
	Answer any 5 out of given 6 questions	<b>5x1=5 marks</b>
<b>5.</b>	<p>(i) (D) 20 [Step 1,1 mark]</p> <p>(ii) (C) IGST [Step 1,1 mark]</p> <p>(iii) (D) Central and state following the GST council proposals [Step 1,1 mark]</p>	<p><b>1</b></p> <p><b>1</b></p> <p><b>1</b></p>



8.	It is the ability to control one’s emotions, thoughts and behaviour effectively in different situations. [Step 1, 2 mark]	2
9.	Self-awareness means understanding yourself, your thoughts, feelings, strengths, weakness values and behaviour. [Step 1, 2 mark]	2
10.	Following benefits of green jobs: [ <b>Any two</b> ] (1) Increase the efficiency of energy and raw materials. [Step 1,1 mark]  (2) Reduce greenhouse gas emission [Step 2,1 mark] (3) Protect & restore ecosystem (4) Control waste and pollution (5) Support adoption to the effects of climate change	2 <b>Any two</b>
11.	<ul style="list-style-type: none"><li>A cell is a rectangle shaped box, where the row and column meet. [Step 1,1 mark]</li><li>It is the smallest unit where you can enter data (numbers, text, formulas). [Step 2,1 mark]</li></ul>	2
	Answer any 3 out of given 5 questions in 20-30 words each.	<b>3x2=6 marks</b>
12.	Amount of deduction $\frac{u}{s}$ 80 D  Premium in respect of wife Rs 12,000 Premium for himself Rs 2,000 Premium in respect of children not dependent Nil Total Rs 18,000 restricted to Add: Premium in respect of parents Rs 15,000 (senior citizens) Rs 22,000 restricted to maximum <u>Rs 20,000</u> Deduction available $\frac{u}{s}$ 80 D <u>Rs 35,000</u> [Step 1,2 mark]	
13.	Income from salary 7,50,000  Less deduction $\frac{u}{s}$ 80 D 1,00,000  Deduction $\frac{u}{s}$ 80 EE 1,00,000 <u>2,00,000</u>  Taxable Income <u>5,50,000</u>  Interest 5 20,00,000*10/100*1 [Step 1,2 mark]	

<b>14.</b>	<p>(1) It pre-pones the collection of tax.</p> <p>(2) Ensures a regular source of revenue to the government.</p> <p>(3) Provides for a greater reach and wider base for tax. [Step 1,2 mark]</p>	<b>2</b>												
<b>15.</b>	<p>Any three of the following :</p> <p>(1) An individual</p> <p>(2) A HUF</p> <p>(3) An ADP or a BDI (whether incorporated or not)</p> <p>(4) An artificial juridical person referred to in section 2(31)(VII), if the adjusted total income of that person does not exceed ` 20,00,000</p> <p>[Step1,2 mark]</p>	<b>2</b>												
<b>16.</b>	<p>Inter-state supply means where the location of supplier and the place of supply are in :</p> <p>(a) Two different states</p> <p>(b) Two different union territories</p> <p>(c) A state and a union territory [Step 1,2 mark]</p>	<b>2</b>												
	Answer any 2 out of given 3 questions in 30-50 words each.	<b>2x3=6 marks</b>												
<b>17.</b>	<p>Key difference between CGST and IGST</p> <table border="1"> <thead> <tr> <th>Feature</th><th>CGST</th><th>IGST</th></tr> </thead> <tbody> <tr> <td>Who levies it</td><td>Central Government (for Intrastate)</td><td>Central Govt (for Interstate)</td></tr> <tr> <td>When applicable</td><td>Supplier and recipient are in same state</td><td>Supplier &amp; Recipient are in different states</td></tr> <tr> <td>Revenue occurs to whom</td><td>Central Government (in relation to the CGST portion)</td><td>Collected centrally then shared centre &amp; state</td></tr> </tbody> </table>	Feature	CGST	IGST	Who levies it	Central Government (for Intrastate)	Central Govt (for Interstate)	When applicable	Supplier and recipient are in same state	Supplier & Recipient are in different states	Revenue occurs to whom	Central Government (in relation to the CGST portion)	Collected centrally then shared centre & state	<b>3</b>
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		[Step 1, 1.5 mark]	[Step 2, 1.5mark]																	
18.	<ul style="list-style-type: none"><li>Dual GST: Both centre and states simultaneously have the power to impose GST across the entire supply chain. [Step 1, 1.5 mark]</li><li>Centre world Levy and collect CGST and states world levy SGST on all supplies within a state. [Step 2, 1.5 mark]</li></ul>			3																
19.	<p>Actual price of the goods ₹ 10,000</p> <p>When sold at a profit of 20% profit ₹ (20/100) ₹ 2000</p> <p>Thus the selling price (excluding tax) of the goods will be</p> <p>₹ Actual price + 1 profit</p> <p>₹ ₹ 10000 + ₹ 2000</p> <p>₹ ₹ 12000 [Step 1,1 mark]</p> <p>(ii) The GST is charged is 5%</p> <p>CGST paid by the consumer ₹ 25% of selling price</p> <p>₹ 2.5/100 ₹ ₹ 12000 ₹ 300 [Step 2,1 mark]</p> <p>(iii) SGST paid by the consumer 52.5% of selling price</p> <p>₹ (2.5/100) ₹ ₹ 12000 ₹ 300</p> <p>Thus, the total amount paid by the consumer</p> <p>₹ selling price + 1CGST + 1SGST</p> <p>₹ ₹ 12000 + ₹ 300 + ₹ 300 ₹ ₹ 12600 [Step 3,1 mark]</p>			3																
	Answer any 3 out of given 5 questions in 50-80 words each.			3x4=12 marks																
20.	<table><tr><td>Instalments</td><td>Due Date</td><td>Amount due to be paid</td><td>Amount Paid</td></tr><tr><td>Ist Instalment</td><td>15 Sept. 2023</td><td>Upto 30% of the advance tax payable</td><td>Rs 60,000</td></tr><tr><td>IIInd Instalment</td><td>15 Dec. 2023</td><td>Upto 60% of the advance tax payable as reduced by amount paid in earlier instalments i.e. 20,000</td><td>Rs 60,000</td></tr><tr><td>IIIrd Instalment</td><td>15 Mar.2024</td><td>Upto 100% of the advance tax payable as reduced by amount paid in earlier instalments</td><td>Rs 80,000</td></tr></table>	Instalments	Due Date	Amount due to be paid	Amount Paid	Ist Instalment	15 Sept. 2023	Upto 30% of the advance tax payable	Rs 60,000	IIInd Instalment	15 Dec. 2023	Upto 60% of the advance tax payable as reduced by amount paid in earlier instalments i.e. 20,000	Rs 60,000	IIIrd Instalment	15 Mar.2024	Upto 100% of the advance tax payable as reduced by amount paid in earlier instalments	Rs 80,000	4		
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	[Step 1,1 mark]	[Step 2,1 mark]	[Step 3,1 mark]	[Step 4,1 mark]	
21.	MRP5Rs 1,00,000 Discount % 520% GST520%  Discount520% of 1,00,0005 $\frac{20}{100}$ 1,00,000 5Rs 20,000  Selling price(discounted value) 51,00,000220,000  580,000 [Step 1,2 mark]  CGST50; SGST50  IGST520% of 80,0005 $\frac{20}{100}$ 80,000 522400  Amount of Bill5selling price 1IGST 580,0001224005` 1,02,400. [Step 2,2 mark]				4
22.	According to the particulars of Mr Ayaan  Income from salary 7,96,200 Income from other source (royalty) <u>3,50,000</u> Gross total Income 11,46,200 Less: Deduction $\frac{u}{s}$ 80 D 9,000  Deduction $\frac{u}{s}$ 80 QQD  Maximum subjected limit <u>3,00,000</u> Total taxable income <u>8,37,200</u> <u>Working notes :</u> Income from salary2 Basic salary 3,90,000 DA 96,000 Car facility with chauffeur 39,600 (240032 1 900312) Commission on turnover 1,00,000 5% of 20,00,000 Bonus 20,000 Rent free accommodation 1,50,600 (15% of salary 1 rent of furniture) (salary5 basic1 DA1 comm.1 bonus)  Total <u>7,96,200</u> [Step 1,4 mark]				4
23.	Advantages of GST2 (i) Elimination of cascading taxes(tax on tax) (ii) Simplified tax structure & uniformity				4 [Any four advantages]

	(iii) Greater transparency and wider tax base (iv) Promotes a national market (v) Benefits for small business [Step 1,2 mark] <b>Disadvantages of GST2</b> (i) Compliances burden and transition issues (ii) Multiple tax slabs/classification issues (iii) Increased cost/Burden for some business (iv) Awareness and capacity issues (v) Cash flow and ITC issues [Step 2,2 mark]	<b>and any four disadvantages, 0.5 each]</b>
<b>24.</b>	<ul style="list-style-type: none"> <li>• Input tax credit means setting off the amount of input tax by a registered dealer against the amount of his output tax. [Step 1,2 mark]</li> <li>• 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 supplier during payment periods. [Step 2,2 mark]</li> </ul>	<b>4</b>
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