

## Paper 11 - Indirect Taxation

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Full Marks: 100

Time allowed: 3 Hours

1. Answer the following questions

(A) Multiple choice questions:

[7×2=14]

- (i) GST law applies on :
  - (a) Supply of goods only
  - (b) Supply of services only
  - (c) Supply of both goods and services
  - (d) None of the above.
- (ii) Sasta Bazar offers a free bucket with detergent purchased. It is a:
  - (a) Composite supply;
  - (b) Mixed supply;
  - (c) Principal supply;
  - (d) None of the above .
- (ii) Business includes :
  - (a) commerce
  - (b) vacation
  - (c) manufacture
  - (d) all of the above
- (iii) Indirect tax is ..... based tax.
  - (a) Income
  - (b) Supply
  - (c) Both (a) and(b)
  - (d) None of the above. .
- (iv) Gst law applies on:
  - (e) Supply of goods only
  - (f) Supply of services only
  - (g) Supply of both goods and services
  - (h) None of the above ..
- (v) As per sec. 2(84) of the CGST Act, person includes —
  - (a) An individual
  - (b) A company
  - (c) A firm
  - (d) All of the above.
- (vi) The threshold limit of turnover in the preceding financial year for opting to pay tax under composite scheme in states other than specified states is-----?
  - (a) ₹ 20 lakhs
  - (b) ₹10 lakhs
  - (c) ₹75 lakhs
  - (d) ₹150 lakhs

(B) Say Yes/No for the following questions:

[6×1=6]

- (i) Under GST, every registered person whose aggregate turnover during a financial year exceeds rupees ten crores has to get his accounts audited by a Chartered Accountant or a Cost Accountant .

- (ii) The relevant form for application for revocation of cancellation of GST registration is GST REG-22.
- (iii) Place of supply of services, in relation to training and performance appraisal provided to a registered person, will be the location of provider of Service .
- (iv) Identical goods must be same in all respects, except for minor differences in appearance .
- (v) Jetsam means where goods are cast into sea to reduce weight of ship to prevent it from sinking and the thrown goods sink.
- (vi) In GST, agricultural activities are not exempted from GST.

**(C) Match the following:**

**[5×1=5]**

	Column 'A'		Column 'B'
1.	Reverse charge mechanism	A.	Eliminates cascading effect of tax
2.	Central Goods and Services Tax	B.	Levied and collected by Central Government
3.	Jammu & Kashmir	C.	Recipient is liable to pay GST
4.	Goods and services tax	D.	GST has been implemented
5.	1 <sup>st</sup> July, 2017	E.	Special Category State under GST

Answer any five questions from the following. Each question carries 15 marks

2. (a) M/s. ABC Ltd. provides the following relating to information technology software. Compute the value of taxable service and GST liability (Rate of CGST 9% and SGST 9%).
- 1. Development and Design of information technology software: ₹15 lakhs;
  - 2. Sale of pre-packaged software, which is put on media: ₹ 52 lakhs.? [7]
- (b) What is bill of supply and also write down the details to be given in it ? [8]
3. (a) State the advantages of GST law. [6]
- (b) M/s Andhra ITC Ltd. purchased inputs and capital goods by paying GST to produce electricity or steam for manufacture of taxable goods. The electricity generated for use in manufacture of goods is sometimes also supplied in the residential colony of employees. Whether, M/s Andhra ITC Ltd. is eligible to avail the credit fully? [5]
- (c) M/s Air Call registered under GST and located in Chennai. M/s Air Call have appointed Mr. C as a selling agent for supplying pre-payment voucher to the subscriber. Find the Place of supply of service and GST liability. [4]
- 4.(a) An importer imported some goods for subsequent sale in India at \$ 10,000 on assessable value basis. Relevant exchange rate and rate of duty are as follows:

Particulars	Date	Exchange rate declared by the CBE&C	Rate of Basic Customs Duty
Date of submission of bill of entry	25th February 2018	₹ 58/USD	10%
Date of entry inwards granted to the vessel	5th March 2018	₹ 58.75/USD	12%

Calculate assessable value and customs duty in Indian rupees.

[8]

- (b) A Ltd., becomes the successful bidder. The spectrum is assigned to A Ltd., for a total consideration of ₹ 1000 crores in the month of June 2016.

Government permitted to pay as one time charge payable, in full upfront or in instalments as the case may be.

A Ltd., chooses to make in installments over a period of 5 years. Installment due fallen on or after 1st July 2018 is leviable to GST?

Whether your answer is different if periodic payment required to be made by the assignee. [7]

- 5.(a) Explain the procedure to get registered under GST. [12]

- (b) What do you meant by zero rated supply? [3]

- 6.(a) Compute the GST liability of Mr. A, an air travel agent, for the quarter ended Dec 31, 2018 using the following details:-

Particulars	Amount in ₹
Basic air fare collected for domestic booking of tickets	50,00,000
Basic air fare collected for international booking of tickets	80,00,000
Commission received from the airlines on the sale of domestic and international tickets	4,50,000
Year ending bonus received from airlines	50,000

In the above case, would the GST liability of Mr. A be reduced if he opts for the special provision for payment of GST as per Rule 32(3) of the CGST Rules, 2017? The applicable rate of GST is 18%. [10]

- (b) The output tax liability of Mr. A, a registered supplier in respect of supplies made to Mr.B for the month of July 2018 is ₹35000 after considering his claim for reduction in his output tax liability on account of issuance of a credit note ₹10000. Whereas the corresponding input tax credit claimed by Mr. B in his valid return (after considering the reduction in ITC admitted and discharged on such credit note ) is ₹ 32000 . What shall be impact of such transactions? [5]

- 7.(a) Calculate the amount of duty drawback allowable under section 74 of the Customs Act, 1962 in following cases:

- 1) Nisha imported wearing apparel and paid ₹ 50,000 as import duty. As she did not like the apparel, these are re-exported after 20 days.
- 2) Salman imported a motor car for his personal use and paid ₹ 5,00,000 as import duty. The car is re-exported after 6 months and 20 days.
- 3) Super Tech Ltd. imported 10 computer systems paying customs duty of ₹ 50 lakhs. Due to some technical problems, the computer systems were returned to foreign supplier after 2 months without using them at all. [9]

- (b) M/s Rajendra Dyeing Pvt. Ltd. supplied goods worth ₹ 10,00,000 to M/s Y Ltd. in the month of September, 2018 plus GST 12%. M/s Rajendra Dyeing Pvt. Ltd. paid the GST on 5th December 2018. The amount of input tax credit is ₹ 70,000 is available in the books. Find the interest payment if any under section 50 of the CGST Act, 2017. [6]

8. (a) What is First Return and Revision of Returns in GST? [7]

(b) Mr. X being a contractor undertaken construction work of an individual residential unit otherwise than as part of a residential complex.

You are required to answer:

1. Whether Mr. X is liable to pay GST where he undertaken pure labour contract?
2. Whether Mr. X is liable to pay GST where he undertaken both labour and material contract?

Mr. X gives contract to a sub-contractor. Can sub-contractor also get exemption if it is pure labour contract? [8]