

Paper 11- Indirect Taxation

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Full Marks: 100

Time allowed: 3 hours

**The figures in the margin on the right side indicate full marks.
Working notes should form part of the answer.**

Section – A

Answer question No. 1 which is compulsory and any four from rest of this section.

1. Answer the following questions:

(A) Multiple choice questions:

[5×1=5]

- (i) Mr. A booked a Rajdhani train ticket, which includes meal. It is :
 - (a) composite supply
 - (b) mixed supply
 - (c) Not at all supply
 - (d) None of the above.

- (ii) Which of the following agricultural activity is exempted from GST?
 - (a) Cultivation
 - (b) Supply of farm labour
 - (c) Renting of agro machinery
 - (d) All of the above.

- (iii) GT Jewellers Ltd. paid ₹ 50 lakhs for sponsorship of Miss India beauty pageant in Mumbai to Stylish & Co., a partnership firm. GST is liable to be paid by:
 - (a) GT Jewellers Ltd.
 - (b) Miss India beauty pageant
 - (c) Stylish & Co.
 - (d) Exempted supply

- (iv) Under GST, interest is liable to be paid on delayed payment of tax @:
 - (a) 15% p.a.
 - (b) 18% p.a.
 - (c) 24% p.a.
 - (d) 30% p.a.

- (v) In case of inter-state stock transfer:
 - (a) CGST will be levied
 - (b) IGST will be levied
 - (c) CGST and SGST will be levied
 - (d) No tax will be levied, as there is no supply.

(B) Say True or False for the following question:

[5×1=5]

- (i) Central sales tax has been subsumed in the ambit of GST.
- (ii) IGST would be levied and collected by the Central Government as well as State Government on all inter-state transactions of taxable goods or services.
- (iii) The Union Finance Minister is a Chairperson of the GST Council.
- (iv) As per the definition under CGST Act, person does not include Central Government or a State Government.
- (v) Penalties levied on late or delayed payment of loans and advances are exempted supply under GST.

(C) Match the following:

[5×1=5]

	Column 'A'		Column 'B'
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1.	Zero rated supply	A.	Eliminates cascading effect of tax
2.	Form GST REG-01	B.	Input tax credit not available
3.	Goods & services tax	C.	Export of goods or services or both
4.	Composition tax payers	D.	Final return
5.	GSTR-10	E.	Application for registration

(D) Fill in the blanks:

[5×1=5]

- (i) _____ supply means the supply of goods or services, which constitute the predominant element of a composite supply and to which another supply is ancillary/secondary.
- (ii) Due date of filing GSTR-4 is _____ of the month following the quarter.
- (iii) The form of return which is to be filed by the input service distributor is _____.
- (iv) In case of Jammu and Kashmir, registration is required if the aggregate turnover exceeds ₹ _____.
- (v) Services relating to transportation of passengers by metro are covered under _____ rate of GST.

2.(a) State the function of the GSTN (Goods & Services Tax Network).

[5]

- (b)** A Ltd. a manufacturing concern in Maharashtra has opted for composition scheme furnishes you with the following information for Financial Year 2018-19. It requires you to determine its composition tax liability and total tax liability. In Financial Year 2017-18 total value of supplies including inward supplies taxed under reverse charge basis are ₹85,00,000. The breakup of supplies is as follows -

Particulars	₹
(1) Intra State Supplies of Goods X chargeable @ 5% GST	28,00,000
(2) Intra State Supplies made which are chargeable to GST at Nil rate	20,00,000
(3) Intra state supplies which are wholly exempt under section 11 of CGST Act, 2017	2,10,000
(4) Value of inward supplies on which tax payable under RCM (GST Rate 5%)	5,00,000
(5) Intra State Supplies of Goods Y chargeable @ 18% GST	29,50,000

[10]

3.(a) What do you mean by Intermediary? How the place of supply of Intermediary services is determined where location of supplier or location of recipient is outside India? Give an example.

[7]

- (b)** ABC & Co., a Cost Accountants firm issued invoice for services rendered to Mr. Ram on 5th August 2017. Determine the time of supply in following independent cases:

- (i) The provisions of services were completed on 1st July 2017.
- (ii) The provisions of services were completed on 15th July 2017.
- (iii) Mr. Ram made the payment on 3rd July 2017, where provisions of services were remaining to be completed.
- (iv) Mr. Ram made the payment on 15th August 2017, where provisions of services were remaining to be completed.

[8]

4.(a) What is 'bill of supply' and 'invoice-cum- bill of supply' under GST?

[5]

- (b)** Mr. Roy, a supplier of goods, pays GST under regular scheme. Mr. Roy is not eligible for any threshold exemption. He has made the following outward taxable supplies in a tax period:

Particulars ₹

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Intra-State supply of goods	16,50,000
Inter-State supply of goods	6,00,000

He has also furnished the following information in respect of purchases made by him in that tax period:

Particulars	₹
Intra-State purchases of goods	10,70,000
Inter-State purchases of goods	1,60,000

Mr. Roy has following ITCs with him at the beginning of the tax period:

Particulars	₹
CGST	41,500
SGST	41,500
IGST	92,000

Note:

- (i) Rate of CGST, SGST and IGST to be 9%, 9% and 18% respectively.
 - (ii) Both inward and outward supplies are exclusive of taxes, wherever applicable.
 - (iii) All the conditions necessary for availing the ITC beginning of the tax period:
- Compute the net GST payable by Mr. Roy during the tax period. Make suitable assumptions as required. [10]

5.(a) State the advantages to a taxpayer for obtaining registration under GST. [6]

(b) Mr. Sekhar, a performing artist, provides the following information relating to December, 2017. Receipts from:

Particulars	₹
Performing classical dance	92,000
Performing in television serial	3,80,000
Services as brand ambassador	10,00,000
Coaching in recreational activities relating to arts	4,30,000
Activities in sculpture making	2,90,000
Performing western dance	85,000

Determine the value of taxable supply and GST payable by Mr. Sekhar for December, 2017. GST @ 18% has been charged separately, wherever applicable. [9]

6.(a) M/s X Ltd. is engaged in doing job work for M/s Y Ltd. M/s Y Ltd. supplies raw material for ₹ 2,00,000 and packing material for ₹ 22,500 to M/s X Ltd. for completion of job work. M/s X Ltd. has agreed to supply job-work services for the purpose of performing the activities as specified by M/s Y Ltd. Job worker labour charges ₹ 1,00,000, profit of ₹ 70,000 and material consumed for ₹ 3,500. Find transaction value (i.e. sole consideration) to levy GST in the hands of M/s X Ltd. [6]

(b) Arihant Life Insurance Company Ltd. (ALICL) has started its operations in the year 2017-18 (w.e.f. 1-7-2017). During the year 2017-18, Arihant Life Insurance Company Ltd. (ALICL) has charged gross premium of ₹ 180 lakhs from policy holders with respect to life insurance policies; out of which ₹ 100 lakhs have been allocated for investment on behalf of the policy holders.

Compute the GST liability of ALICL for the year 2017-18 under rule 32(4) of the CGST Rules, 2017

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- (i) if the amount allocated for investment has been intimated by ALICL to policy holders at the time of providing service.
- (ii) if the amount allocated for investment has not been intimated by ALICL to policy holders at the time of providing of service.
- (iii) if the gross premium charged by ALICL from policy holders is only towards risk cover.

Applicable rate of GST 18%.

[9]

7. Short note: (any three)

[5×3]

- (a) GST Council
- (b) Composite supply
- (c) Tax invoice
- (d) Persons not entitled to avail composition scheme.

Section – B

Answer question No. 8 which is compulsory and any one from rest of this section.

8. Answer the following questions:

[5×1=5]

- (i) In case of customs valuation, if sea freight is not given, then value of freight is to be taken at:
 - (a) 10% of FOB value
 - (b) 15% of FOB value
 - (c) 20% of FOB value
 - (d) 1.125% of FOB value.

- (ii) In case of lady passenger coming to India after stay abroad more than one year, duty free jewellery can be brought by her with a value cap of:
 - (a) ₹ 50,000
 - (b) ₹ 1,00,000
 - (c) ₹ 1,50,000
 - (d) ₹ 2,00,000.

- (iii) GST Compensation Cess will be levied on supply of:
 - (a) Tobacco
 - (b) Pan Masala
 - (c) Motor Vehicles
 - (d) All of the above.

- (iv) Which of the following cannot be considered as deemed export?
 - (a) Sale of goods to Software Technology Park
 - (b) Sale of goods to Domestic Tariff Area
 - (c) Sale of goods to United Nations Agencies
 - (d) Sale of capital goods to fertilizer plants.

- (v) The minimum penalty for improper export of prohibited goods is:
 - (a) ₹ 5,000
 - (b) ₹ 10,000
 - (c) ₹ 15,000
 - (d) ₹ 25,000.

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9.(a) Compute the assessable value and total customs duty payable under the Customs Act, 1962 for an imported machine, based on the following information:

	US \$
(i) Cost of the machine at the factory of the exporter	20,000
(ii) Transport charges from the factory of exporter to the port for shipment	800
(iii) Handling charges paid for loading the machine in the ship	50
(iv) Buying commission paid by the importer	100
(v) Lighterage charges paid by the importer	200
(vi) Freight incurred from port of entry to Inland Container depot	1,000
(vii) Ship demurrage charges	400
(viii) Freight charges from exporting country to India	5,000

Date of bill of entry 20.02.2018 (Rate BCD 20%;
Exchange rate as notified by
CBEC ₹ 60 per US \$)

Date of entry inward 25.01.2018 (Rate of BCD 12%;
Exchange rate as notified by
CBEC ₹ 65 per US \$)

IGST payable under section 3(7) of
the Customs Tariff Act, 1975 12%
Also find the eligible input tax credit to the importer. **[11]**

(b) What is Protective Duties in customs? **[4]**

10.(a) What is redemption fine in customs? **[3]**

(b) State the features of warehousing. **[12]**