

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: GST

PART – I

Answer Question Number 1. All parts of this question are compulsory.

1. Answer the following questions: [5×1=5]

(A) Multiple choice questions:

- (i) Which of the following is correct?
 - (a) GST is Income based tax
 - (b) GST is supply based tax
 - (c) Both (a) and(b)
 - (d) None of the above.
- (ii) Central Board of Excise and Customs (CBEC) is renamed as:
 - (a) Central Board of Indirect taxes and Customs
 - (b) Central Board of Excise and Indirect Taxes
 - (c) Central Board of Export and Customs
 - (d) Central Board of Import and Customs.
- (iii) GST law applies on which type of supply?
 - (a) Supply of goods only
 - (b) Supply of services only
 - (c) Supply of both goods and services
 - (d) None of the above.
- (iv) Which of the following transactions should be treated as supply of goods?
 - (a) Transfer of rights in goods
 - (b) Transfer of title of goods
 - (c) Lease, tenancy, easement
 - (d) Any treatment applied to another person's goods
- (v) In GST, mobile recharge vouchers are to be treated as:
 - (a) Goods
 - (b) services
 - (c) either goods or services
 - (d) none of the above

(B) Match the following:

[5×1=5]

	Column ,A"		Column ,B"
1.	Aggregate turnover	A.	Output tax – input tax
2.	EWB	B.	Section 2(6) CGST Act
3.	Outward supply	C.	Electronic document carried by person- in – charge.
4.	State taxes subsumed in GST	D.	Taxes on advertisement
5.	Tax payable	E.	GSTR-1

- (C) State True or False for the following question: [5×1=5]
- (i) Tour operator is not included as intermediary services.
 - (ii) An agriculturist requires registration in case of supply of produce out of cultivation.
 - (iii) Granting loan to a person against interest is not a service.
 - (iv) The place of supply of goods imported into India shall be the location of importer.
 - (v) Sale of plastics bangles for ₹ 20,000 is taxable supply.
- (D) Fill in the blanks: [5×1=5]
- (i) E-way bill will be generated when there is a movement of goods in a vehicle of value more than ₹ _____.
 - (ii) Gifts exceeding _____ in value in a financial year by an employer to an employee shall be treated as supply of goods or services or both.
 - (iii) Alcoholic liquor for human consumption is not _____ (taxable/non-taxable) supply.
 - (iv) Every electronic commerce operator shall collect GST from its client @ _____ % irrespective of value of transaction.
 - (v) A registered person making supply of exempted goods or services or both shall issue Bill of _____.

PART – II

Answer any four questions from question numbers 2 to 7. Each question carries 15 marks
[15×4] = 60

2. (a) What do you mean by GSTN? Mention the functions of GST council. [2+5]
- (b)(i) X is a person of New Delhi who paid fees for online coaching obtained from a service provider located in UK for coaching of project management course for himself. Is it supply? If so, who is liable to pay GST? [2]
- (ii) Mr. S is running a readymade garment show room and also a consulting firm, registered in same PAN. Turnover of the showroom is ₹ 60 lakhs and receipt of the consultancy firm is ₹ 12 Lakhs in the preceding financial year. You are required to answer the following:
- a) Is Mr. S eligible for Composition Scheme?
 - b) Whether it is possible for Mr. S to opt for composition only for Showroom?
 - c) Rework, if Mr. S is running a restaurant as well as readymade garment show room, whether he is eligible for composition?
 - d) If the turnover of garment showroom is ₹ 75 Lakhs in the preceding financial year and there is no consulting firm whether he is eligible for Composition? [6]
- 3.(a) The R Group being an event organizer located at Chennai organized Miss India 2022 beauty pageant in the following cities for M/s AKS Miss India, who registered person located in Mumbai:

City	No. of days	Fees in ₹
Chennai	12	12 crores
New Delhi	18	18 crores
Mumbai	20	20 crores
Total	50	50 crores

Find the place of supply of service if contract specifies clear details.

Find the place of supply of service if contract specifies lump sum amount of ₹ 48 crores.
[4+4]

- (b)(i) X is a registered dealer who purchased goods on which RCM is applicable.

The details are as under: -

- Goods purchased: July 6, 2021
- Delivery received: July 6, 2021
- Date of invoice: July 6, 2021
- Invoice received: July 10, 2021
- Payment made: December 3, 2021

Find Time of Supply.

[4]

- (ii) Mr. A, a supplier registered in Bihar, procures goods from China and directly supplies the same to a customer in UK. With reference to the provisions of GST Law, examine whether the supply of goods by Mr. A to customer in UK is an inter-state supply.

[3]

4. (a) Discuss under following situations, who is liable pay GST and take GST registration.

S. No.	Cases
1.	N owns a radio taxi and operates with Bangalore based Electronic Commerce Operator(ECO) named "Timepe taxi"
2.	G Ltd. is running a hotel in New Delhi and providing boarding and loading service through "journey .com" (a USA based website). Total turnover of G Ltd. is ₹ 70 lakhs.
3.	P owns a radio taxi. He provides his service in Mumbai through ODA.
4.	R is a plumber providing housekeeping services through Goclean.com (Bhutan based website), turnover of R is ₹15 lakhs.
5.	TVM Ltd. is running hotel in Jaipur and providing boarding and loading service through "journey .com" (a USA based website). Total turnover of TVM Ltd. is ₹17 lakhs.
6.	Mineral exploration contract for 18 months is awarded to a Bhopal based company in respect of specific sites in Kolkata by a Kolkata based corporation (i.e. local authority).
7.	Mr. C , recovery agent provides recovery service to PN Bank.

[7]

- (b) Determine the amount of input tax credit available to S who hired following services and purchased following goods in the month of January 2022:

[8]

	Details	Amount (₹)
(a)	Outdoor catering hired for business use.	1,00,000+18% GST
(b)	GTA service hired.	Under RCM 10,000 +5% GST
(c)	Car hired for carrying employees.	From office to home and home to office 5,000+18% GST
(d)	Membership fee of a club.	2,00,000+18% GST

- 5.(a) Mention any five circumstances where registration can be cancelled by tax payer and also describe the procedure of cancellation of registration.

[5+5]

- (b) Discuss the taxability of the following:

[5]

1. Transport service provided to school.
2. School approved student tour provided by tour operator.
3. Catering service provided to school.
4. House keeping services provided to school.
5. CMA institute provides CMA coaching services.

- 6.(a) M/s X Ltd., a manufacturer, sold goods to M/s Y Ltd., a wholesaler, and issued invoice for the sale on 01-08-2021.

Find the time of supply of goods in each of the following independent cases:

- (i) M/s X Ltd., removes the goods for delivery to M/s Y Ltd., on 17th August 2021.
(ii) M/s Y Ltd., collects the goods from premises of M/s X Ltd., on 8th August 2021.
(iii) M/s Y Ltd., made full payment on 25th July 2021.
(iv) M/s Y Ltd., credited the payment in bank account of M/s X Ltd., on 29th July 2021 for 3/4th of goods, M/s X Ltd., recorded the same as receipts in his books on 2nd August 2021. The goods were dispatched on 4th August 2021 from the warehouse. [8]
- (b) (1) Shall Ltd. is manufacturer of cosmetic products :
(a) hair oil (GST rate -18%),
(b) sun screen cream (gst rate-28%),
(c) shampoo (GST rate-28%) and
(d) hair comb (GST rate- 12%).
The said product are supplied in a single package and the price per package is ₹ 500 (exclusive of taxes). 10,000 packages were supplied by the company to its dealer. Determine the nature of supply and its tax liability. [5]
- (2) A registered person is supplying manufactured food products to another person for ₹ 1,000. Transportation charges of ₹ 60, packaging charges ₹ 100 are required to be paid by the supplier but are actually paid by the recipient. Whether transportation charges and packaging charges would be added in supply value? [2]
7. Short note: (any three) [5×3]
(a) Distribution of Input Tax Credit by Input Service Distributor.
(b) E-way Bills under GST law.
(c) Tax invoice.
(d) Advantages of voluntary registration under GST.

Section – B: Customs

PART – I

Answer question No. 8 which is compulsory.

8. Answer the following questions: [5×1=5]
(i) Custom duty payable of ₹ 1094.75 shall be rounded off to _____.
(a) ₹ 1,095
(b) ₹ 1,090
(c) ₹ 1,094
(d) ₹ 1,100
- (ii) Out of the following who is not a “related” person?
(a) Officers or directors of one another”
(b) Legally recognized partners in business
(c) Members of the same family
(d) None of the above.
- (iii) Unascertainable cost of insurance to the place of importation shall be _____ of the FOB value of goods.
(a) 1.0%
(b) 1.125%
(c) 2.5%
(d) 2.75%

- (iv) With reference to Section 26A of Custom Act, proper officer means
 (a) Deputy commissioner
 (b) Preventive officer
 (c) Superintendent
 (d) None of the above
- (v) Interest shall be payment on any drawback payable to a claimant u/s 74 or 75 if it is not paid within _____ month.
 (a) 1
 (b) 1½
 (c) 2
 (d) 2½

PART – II

Answer any one question from question numbers 9 to 10. Each question carries 15 marks

[15×1]

9. (a) What are the conditions to be satisfied to avail duty drawback on Re-export u/s 74 ? [5]
 (b) From Japan, certain equipment has been imported by S Ltd. at an FOB cost of 2,00,000 Yen (Japanese). In this connection, the other expenses incurred by M/s. S Ltd. are as follows:
 (i) Freight from Japan to Kolkata Port 18,000 Yen [Loading, unloading & handling upto port : 2,000 Yen].
 (ii) Insurance paid to Insurer in India ₹ 10,000.
 (iii) Designing charges paid to Consultancy firm in Japan 30,000 Yen
 (iv) M/s. S Industries had expended ₹1,00,000 in India for certain development activities with respect to the imported equipment
 (v) S Industries had incurred road transport cost from Kolkata port to their factory in Bhopal ₹ 30,000
 (vi) The Central Board of Indirect Taxes & Customs had notified for purpose of section 14(3) of the Customs Act, 1962 exchange rate of 1 Yen = ₹ 0.3948. The inter- bank rate was 1 Yen = ₹ 0.40.
 (vii) M/s S Industries had effected payment to the Bank based on exchange rate 1 Yen = ₹ 0.4150
 (viii) The commission payable to the agent in India was 5% of FOB cost of the equipment in Indian Rupees.
- Arrive at the assessable value for purposes of customs duty under the Customs Act, 1962 providing brief notes wherever required with appropriate assumptions. [10]
10. (a) The following goods have been exported to UK. Discuss whether any duty drawback is admissible under section 75 of the Customs Act, 1962 [5]

Product	FOB Value exported goods	Market price of goods	Duty drawback rate
M	2,50,000	1,80,000	30% of FOB
N	1,00,000	50,000	0.75% of FOB
O	8,00,000	8,50,000	3.50% of FOB
P	2000	2,100	1.50% of FOB

Note: Imported value of product O is ₹ 9,50,000.

[8]

- (b) Discuss the validity of the following statements with reference to Chapter IX of the

Customs Act, 1962 relating to the provisions of warehousing:

- (i) The Commissioner of Customs or Principal Commissioner of Customs is not required to give a notice to the licensee while canceling the license of a private warehouse if he has contravened any provision of the said Act.
- (ii) The proper officer is not authorized to lock any warehouse with the lock of the Customs Department.
- (iii) The Commissioner of Customs (Appeals) may appoint public warehouses wherein dutiable goods may be deposited. [3]

(c) State the negative list of duty drawback u/s 76 [4]