

**FINAL EXAMINATION
Syllabus 2016**

Paper 18: INDIRECT TAX LAWS & PRACTICE (ITP)

Time Allowed: 3 Hours

Full Marks: 100

There are Sections A, B, C and D to be answered subject to instructions given against each.

Section A				20 Marks
1.	You are required to answer all the questions. Each question carries 1 mark. Instructions: Each question is followed by 4 Answer choices and only one is correct. You are required to select the choice which according to you represents the correct answer.			20 X 1 = 20
	a.	The term 'casual taxable person' includes _____		
	(i)	A person occasionally supplying goods or services or both in a State or an Union Territory	A	
	(ii)	A person occasionally supplying goods or services or both in a State or an Union Territory where he has fixed place of business.		
	(iii)	Both (i) and (ii)		
	(iv)	None of the above		
	b.	M is employed in Zed Traders, a proprietary concern of Mr. K having taxable turnover under GST. Services provided by M will be taxable if _____		
	(i)	M provides them on contractual basis to Zed Traders.		
	(ii)	M provides them on regular basis to Zed Traders.		
	(iii)	M provides them to the brother of Mr. K, not in the course of employment.	A	
	(iv)	M provides them on part-time basis to Zed Traders.		
	c.	What would be the tax rate applicable in case of composite supply?		
	(i)	Tax rate as applicable on principal supply.	A	
	(ii)	Tax rate as applicable on ancillary supply.		
	(iii)	Tax rate as applicable on respective supply.		
	(iv)	Tax rate of the principle supply or ancillary supply whichever is higher		
	d.	What are the supplies on which reverse charge mechanism would apply?		
	(i)	Notified categories of goods or services or both under Section 9(3).	A	
	(ii)	Inward supply of goods or services or both from an unregistered dealer under 9(4).		
	(iii)	Both of (i) and (ii).		
	(iv)	None of the above.		
	e.	Which one of the following is exempted from GST?		
	(i)	Any business exhibition		
	(ii)	A business exhibition in India		
	(iii)	A business exhibition outside India	A	

	(iv)	None of the above		
f.	What is the date of receipt of payment in the context of time of supply?			
	(i)	Date of entry in the books		
	(ii)	Date of payment credited into bank account		
	(iii)	Earlier of (i) and (ii)	A	
	(iv)	Date of filing of return		
g.	What is the time limit to pay the value of supply with taxes to avail the input tax credit?			
	(i)	Three months		
	(ii)	Six months		
	(iii)	One hundred and eighty days	A	
	(iv)	Till the date of filing annual return or 30th September of following year whichever is earlier		
h.	Two sets of sales were effected by B Ltd. First set 1000 units at Rs. 190 and second set 900 units at Rs. 200. In terms of rule 7 (Deductive Value) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, the unit price in greatest aggregate quantity determined will be _____.			
	(i)	Rs. 200		
	(ii)	Rs. 190	A	
	(iii)	Rs. 180		
	(iv)	Rs. 170		
i.	As per the Customs Tariff Act, 1975, the following is not considered to be a way that constitute circumvention of antidumping duty imposed on an article which may warrant action by the Central Government:			
	(i)	Altering the description or name or composition of the article subject to imposition of such anti-dumping duty		
	(ii)	Changing the country of its origin or export		
	(iii)	Import of such article in an unassembled or disassembled form		
	(iv)	Procuring the goods through an Indian subsidiary which is a SEZ unit	A	
j.	A new supplier has taxable intra-State sales, exempt intra-State sales and export sales of goods. He should get himself registered under GST law, where _____			
	(i)	the aggregate value of taxable intra-State goods exceeds Rs. 20 lakhs		
	(ii)	the aggregate value of taxable as well as exempt intra-State goods exceeds Rs. 20 lakhs		
	(iii)	the aggregate value of all the three items exceeds Rs. 20 lakhs	A	
	(iv)	the aggregate value of taxable intra-State goods as well as export sales exceeds Rs. 20 lakhs		
k.	Which of the following is an intra-State supply?			
	(i)	Goods sent from Delhi to another dealer in Delhi.	A	
	(ii)	Goods sent from Delhi to a SEZ in Noida, Uttar Pradesh.		

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	(iii)	Goods sent from Delhi to Chandigarh branch (Haryana) of the same supplier.		
	(iv)	None of the above		
I.	A casual taxable person is required to obtain registration where he makes _____.			
	(i)	taxable inter-State supply		
	(ii)	taxable inter-State or intra-State supply	A	
	(iii)	taxable inter-State or intra-State supply whose proposed value exceeds Rs.20 lakhs		
	(iv)	None of the above		
m.	<p>Statement I: Subsidy given by Government to manufacturers to compensate cost of production will form part of sale price.</p> <p>Statement II: Subsidy given by Government to manufacturers to compensate cost of production will not form part of sale price.</p> <p>Among the two statements which one is correct?</p>			
	(i)	Only Statement I is correct.		
	(ii)	Only Statement II is correct.	A	
	(iii)	Both Statements I and II are correct.		
	(iv)	None of the Statements I and II are correct.		
n.	Advance ruling can be declared to be void by the Authority if it has been obtained by an applicant/appellant by _____.			
	(i)	fraud		
	(ii)	suppression of facts		
	(iii)	misrepresentation of facts		
	(iv)	None of the above	A	
o.	For the year 2021-22 due date of filing of annual return was 31.12.2022. The books and records of 2021-22 must be maintained up to:			
	(i)	till 31.03.2028		
	(ii)	at least till 31.12.2028	A	
	(iii)	till 31.03.2026		
	(iv)	At least till 31.12.2026		
p.	What is the rate of Anti-dumping duty payable by a SEZ in respect of an import?			
	(i)	Nil	A	
	(ii)	5% of the customs duty		
	(iii)	7.5% of the customs duty		
	(iv)	10% of the custom duty		
q.	Under GST Act, a supply of assortment of sweets, chocolates and firecrackers packed in a gift hamper is considered as _____			
	(i)	joint supply		
	(ii)	composite supply		

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	(iii)	mixed supply	A	
	(iv)	assorted supply		
r.		What is stands for the nomenclature “COMET” with regard to Export of dual-use items and technologies under India’s Foreign Trade Policy?		
	(i)	Special Chemicals, Organization, Materials, Equipment and Technologies		
	(ii)	Special Chemicals, Organisms, Materials, Equipment and Technologies	A	
	(iii)	Special Chemicals, Organization, Mankind, Equipment and Technologies		
	(iv)	Safe Chemicals, Organisms, Materials, Equipment and Technologies		
s.		The area which is within India but outside SEZs and EOU/ EHTP/ STP/BTP. Is called_____		
	(i)	Domestic Travel Area		
	(ii)	Domestic Tariff Area	A	
	(iii)	Domestic Tax Area		
	(iv)	Domicile Tariff Area		
t.		For filing an appeal before the Commissioner (Appeals), the amount of pre-deposit required under the Customs Act, 1962 is:		
	(i)	5% of the demand, subject to a maximum of ₹5 crore		
	(ii)	5% of the demand, subject to a maximum of ₹7.5 crore		
	(iii)	7.5% of the demand, subject to a maximum of ₹7.5 crore		
	(iv)	7.5% of the demand, subject to a maximum of ₹10 crore	A	
Section B			20 Marks	
2.	You are required to answer all the questions. Each question carries 2 marks. Instructions: Each question is followed by a space where you are required to type your answer.			10 X 2 = 20
a.		What are the items that are excluded from the term ‘Goods’ under CGST Act?		
		Type your answer here Money & Securities.		
b.		Name the place which is used for unloading of imported goods and loading of exported goods.		
		Type your answer here Inland Container Depot		
c.		Name the country from where the Indian GST Model is chosen from?		
		Type your answer here Canada		
d.		Under which Article of India the GST Council was constituted by the President of India?		
		Type your answer here 279A(1)		
e.		What is the due date to file GSTR-6 (Return for Input Service Distributor) ?		
		Type your answer here 13th of the next month		

	f.	What will be the rate of tax and nature of supply of a service if the same is not determinable at the time of receipt of advance?													
		Type your answer here 18%,inter state supply													
	g.	What is the highest rate of tax levied under IGST ?													
		Type your answer here 28%													
	h.	What do you mean by "SION" under Foreign Trade Policy?													
		Type your answer here Standard Input Output Norms or SION is the standard norms which define the amount of inputs required to manufacture unit of output for export purpose.													
	i.	If insurance charges are not known, how insurance charges to be calculated to arrive at the assessable value?													
		Type your answer here 1.125% of FOB value													
	j	How is anti-dumping duty calculated?													
		Type your answer here Lower of margin of dumping and injury margin													
Section C			12 X 4 =												
You are required to answer any 4 out of 6 questions in this section			48 Marks												
Instructions: Each question is followed by a space where you are required to type your answer.															
3.	a.	<p>G Academy Pvt. Ltd. provided following services in 2020-21:</p> <p>1. Manpower supply services to Higher Secondary School for Rs. 12,00,000</p> <p>2. Housekeeping services to a Pre-school education for Rs. 9,00,000</p> <p>During 2021-22, G Academy Pvt. Ltd. received income from providing advertisement services for Rs. 75,000 from Indian Railways.</p> <p>Find the following:</p> <p>(i) What is the taxable supply in the year 2020-21?</p> <p>(ii) Who is liable to pay GST for the year 2021-22?</p> <p>(iii) Tax liability, if any under GST in 2021-22?</p> <p>(iv) G Academy Pvt. Ltd was not registered under GST and their total turnover in 2020-21 was Rs. 11,10,00. Then compute their Total Tax Liability under GST for the year 2021-22.</p> <p>Applicable rate of GST 18%</p>	6												
		<p>Type your answer here</p> <p>Answer:</p> <p>(i) Taxable Supply for the year 2020-21: Rs. 21,00,000</p> <p>Working Notes:</p> <p>Computation of turnover during 2019-20</p> <table><tr><th>Sl. No.</th><th>Particulars</th><th>Amount (Rs.)</th></tr><tr><td>1</td><td>Manpower supply services to Higher Secondary School</td><td>12,00,000</td></tr><tr><td>2</td><td>Housekeeping services to a Pre-school education</td><td>9,00,000</td></tr><tr><td></td><td>Taxable Supply</td><td>21,00,000</td></tr></table>	Sl. No.	Particulars	Amount (Rs.)	1	Manpower supply services to Higher Secondary School	12,00,000	2	Housekeeping services to a Pre-school education	9,00,000		Taxable Supply	21,00,000	
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2	Housekeeping services to a Pre-school education	9,00,000													
	Taxable Supply	21,00,000													

		<p>(ii) Person liable to pay GST for the year 2021-22: G Academy Pvt. Ltd. Is liable to pay tax under GST, as its turnover exceeded Rs. 20,00,000 during the previous year, i.e. 2019-20</p> <p>(iii) Total Tax Liability under GST for the year 2021-22: GST of 18% on Rs. 75,000 = Rs. 13,500</p> <p>(iv) Total Tax Liability under GST for the year 2021-22, if the total turnover in the year 2020-21 was Rs. 11,10,000: NIL, as G Academy Pvt. Ltd. Is not required to register under GST and liable to tax as its turnover does not exceed Rs. 20,00,000 during the previous year (vide Entry No. 7 Notification No. 12/2017- Central Tax (Rate) Dt 28-06-2017</p>	
	b.	How has introduction of GST benefited the consumers and general public?	6
		<p>Type your answer here</p> <p>The benefit of introduction of GST are as follows:</p> <ol style="list-style-type: none"> One Nation One Tax. Removal of bundled indirect taxes such as VAT, CST, Service tax, CAD, SAD and Excise. Removal of cascading effect of taxes; i.e. removes tax on tax. Increased ease of doing business. Lower cost of production, increase in demand will lead to increase in supply. Hence, this will ultimately lead to rise in the production of goods. Resultantly boost to make in India initiative. It will boost export and manufacturing activity, generate more employment and thus increase GDP with gainful, employment leading to substantive economic growth; Rationalization of tax rates, removal of cascading effect will ultimately result in lower prices benefitting the consumers and general public. 	
4.	a.	What is form GSTR 3B? What are its features? Who is exempt from filing GSTR 3B?	6
		<p>Type your answer here</p> <p>GSTR-3B is a monthly self-declaration that has to be filed by a registered dealer from July, 2017 till March, 2018.</p> <p>The features of GSTR – 3B are given below:</p> <ol style="list-style-type: none"> A separate GSTR – 3B must be filed for each GSTIN Tax liability of GSTR – 3B must be paid by the last date of filing GSTR – 3B for that month GSTR-3B cannot be revised <p>Every person who has registered for GST must file the return GSTR-3B including nil returns.</p> <p>However, the following registrants do not have to file GSTR-3B:</p> <ol style="list-style-type: none"> Input Service Distributors & Composition Dealers Suppliers of OIDAR Non-resident taxable person 	
	b.	State the functions of the GSTN, i.e. the role assigned to GSTN.	6
		<p>Type your answer here</p> <p>Functions of the GSTN (i.e. Role assigned to GSTN):</p> <p>Creation of common and shared IT infrastructure for functions facing taxpayers has been assigned to GSTN and these are:</p> <ol style="list-style-type: none"> filing of registration application. filing of return. 	

		<p>ii. creation of challan for tax payment.</p> <p>iii. settlement of IGST payment (like a clearing house), generation of business intelligence and analytics etc.</p> <p>All statutory functions to be performed by tax officials under the GST like approval of registration, assessment, audit, appeal, enforcement etc. will remain with the respective tax departments.</p> <p>Renting of precincts of a religious place meant for the general public, owned or managed by an entity registered as a charitable or religious trust under section 12AA of the Income-tax Act, 1961 is exempt from GST.</p> <p>However, w.e.f. 1-07-2017, this exemption shall not be applicable to.</p> <ol style="list-style-type: none"> 1. Renting of rooms where charges are Rs. 1000 or more per day. 2. Renting of premises, community halls, kalyana mandapam or open area, etc. where charges are Rs. 10,000 or more per day. <p>Thus, the law gives a limited exemption to renting of only religious precincts or a religious place meant for general public by the entity registered under Section 12AA of the Income-tax Act or Sec. 10(23C) (v) or Sec.10(23BBA) of the Income-tax Act, 1961.</p> <p>In the given case, the renting of guest houses is at Rs. 800 per day; so this will not attract any GST liability.</p> <p>However, the marriage halls are rented at Rs. 12,000 per day. Hence this will be reckoned for GST liability.</p> <p>If GST is to be avoided, then such renting of a marriage hall should be at less than Rs. 10,000 per day.</p> <p>Brahmi foundation is to be advised accordingly.</p>	
5.	a.	<p>CMA Mr. S, an unregistered person under GST, has a place of profession in Bhubaneswar, Odisha, supplies taxable services to I Ltd., a registered person under GST in Bangalore.</p> <p>(I) Is it an inter-State supply or intra-State supply?</p> <p>(II) Who is liable to pay GST?</p> <p>Additional Information: CMA Mr. S's turnover during the immediately preceding Financial Year is Rs.18 lakhs.</p>	2+2
		<p>Type your answer here</p> <p>(i) Type of supply: It is an inter-state supply.</p> <p>Reason:</p> <p>State/UT of CMA Mr. S is Odisha (Origin) and State/UT of I Ltd. is Karnataka (Destination). The supply involves two different states/UTs.</p> <p>(ii) Person liable to pay GST:</p> <p>CMA Mr. S is not liable to pay IGST if he chooses not to register under GST. Since, registration is not made mandatory to him.</p> <p>However, service providers providing aggregate supplies including inter-state services up to Rs. 20 lakhs will be exempted from GST.</p> <p>I Ltd. will also not be liable to pay GST under RCM as Section 9(4) has been deferred presently.</p>	
	b.	<p>Hotel H International has 55 rooms for guests and for the months of May, June and July 2021 it has set the following rentals per day:</p>	8

	<p>Room Rent: Rs. 550, Furniture Rent: Rs. 400, AC Rent: Rs. 150, Mini Refrigerator Rent: Rs. 50.</p> <p>It is allowing a discount to guests @ Rs.50 per person per day for the months of May, June and July 2021.</p> <p>During the month of June 2021, 20 rooms were let out for all the 30 days but the balance 35 rooms remained 50% vacant.</p> <p>Hotel International can claim Input Tax Credit amounting to Rs. 75,500 and the applicable rates of GST are as follows: CGST @ 6% and SGST @ 6%.</p> <p>Compute the GST Liability for the month June 2021.</p>																																																					
	<p>Type your answer here</p> <p>GST Liability for the month of June 2021:</p> <p>CGST: Rs. 39,250</p> <p>SGST: Rs. 39,250</p> <p>ROUGH WORK:</p> <div><p style="text-align: center;">Computation of Declared Tariff</p><table><tr><th>Particulars</th><th>Amount (Rs.)</th></tr><tr><td>Room Rent</td><td>550</td></tr><tr><td>Furniture Rent</td><td>400</td></tr><tr><td>AC Rent</td><td>150</td></tr><tr><td>Mini Refrigerator Rent</td><td>50</td></tr><tr><td>Total</td><td>1,150</td></tr><tr><td>Less: Discount</td><td>50</td></tr><tr><td>Declared Tariff</td><td>1,100</td></tr><tr><td></td><td></td></tr></table><p style="text-align: center;">Computation of Taxable Services</p><table><tr><th>Particulars</th><th>Amount (Rs.)</th></tr><tr><td>Hotel Rent from Fully Occupied Rooms (20 X 30 X 1100)</td><td>6,60,000</td></tr><tr><td>Hotel Rent from Partly Occupied Rooms (50% of 35 X 30 X 1100)</td><td>5,77,500</td></tr><tr><td>Total</td><td>12,37,500</td></tr><tr><td></td><td></td></tr></table><p style="text-align: center;">Computation of GST</p><table><tr><th>Particulars</th><th>Computation</th><th>CGST (Rs.)</th><th>SGST (Rs.)</th></tr><tr><td>Applicable Rate</td><td></td><td>6%</td><td>6%</td></tr><tr><td>GST Output Tax</td><td>6% on Rs. 12,37,500</td><td>74,250</td><td>74,250</td></tr><tr><td>Less: GST ITC</td><td>Rs. 75,000 allotted equally</td><td>35,000</td><td>35,000</td></tr><tr><td>GST Liability</td><td></td><td>39,250</td><td>39,250</td></tr><tr><td></td><td></td><td></td><td></td></tr></table></div>	Particulars	Amount (Rs.)	Room Rent	550	Furniture Rent	400	AC Rent	150	Mini Refrigerator Rent	50	Total	1,150	Less: Discount	50	Declared Tariff	1,100			Particulars	Amount (Rs.)	Hotel Rent from Fully Occupied Rooms (20 X 30 X 1100)	6,60,000	Hotel Rent from Partly Occupied Rooms (50% of 35 X 30 X 1100)	5,77,500	Total	12,37,500			Particulars	Computation	CGST (Rs.)	SGST (Rs.)	Applicable Rate		6%	6%	GST Output Tax	6% on Rs. 12,37,500	74,250	74,250	Less: GST ITC	Rs. 75,000 allotted equally	35,000	35,000	GST Liability		39,250	39,250					
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6.	a.	<p>An importer imported some goods on 1st January, 2021 and the goods were cleared from Mumbai port for warehousing on 8th January, 2021 by submitting Bill of Entry, exchange rate was Rs. 50 per US \$. FOB value US \$ 10,000. The rate of duty on 8th January, 2021 was 20%. The goods were warehoused at Pune and were cleared from Pune warehouse on 31st May, 2021, when rate of basic customs duty was 12% and exchange rate was Rs. 68.75 per 1US \$. IGST @12% is applicable. (Applicable Social Welfare Surcharge @ 10%)</p> <p>Find:</p> <p>(I) The total Customs duty payable.</p> <p>(II) The interest if any payable.</p>	4+2																												
		<p>Type your answer here</p> <p>(I) The total Customs duty payable= Rs. 1,62,211</p> <p>(II) The interest if any payable= Rs. 3,600</p> <p>ROUGH WORK:</p> <table><tr><td></td><td>USD</td></tr><tr><td></td><td></td></tr><tr><td>FOB</td><td>10,000</td></tr><tr><td>ADD: 20% Freight on FOB</td><td>2,000</td></tr><tr><td>ADD: 1.125% Insurance on FOB</td><td>112.5</td></tr><tr><td>CIF / Assessable Value</td><td>12,112.50</td></tr><tr><td>Assessable Value</td><td>Rs. 6,05,625 (i.e. 12,112.50 x Rs. 50)</td></tr><tr><td>Add: BCD 12%</td><td>Rs. 72,675 (i.e. 6,05,625 x 12%)</td></tr><tr><td>Add: Social Welfare Surcharge @ 10%</td><td>Rs. 7,268 (i.e. 72,675 @ 10%)</td></tr><tr><td>Transaction value subject to GST</td><td>Rs. 6,85,568</td></tr><tr><td>Add: IGST</td><td>Rs. 82,268 (i.e. 6,85,568 @ 12%)</td></tr><tr><td>Value of import</td><td>Rs. 7,67,836</td></tr><tr><td>Value of Customs duties</td><td>Rs. 1,62,211</td></tr><tr><td>Interest: (i.e. 1,62,211 x 15% x 54/365)</td><td>Rs. 3,600</td></tr></table> <p>Working Note: From 8th January 2021 to 31st May 2021= 144 – 90 = 54 days</p>		USD			FOB	10,000	ADD: 20% Freight on FOB	2,000	ADD: 1.125% Insurance on FOB	112.5	CIF / Assessable Value	12,112.50	Assessable Value	Rs. 6,05,625 (i.e. 12,112.50 x Rs. 50)	Add: BCD 12%	Rs. 72,675 (i.e. 6,05,625 x 12%)	Add: Social Welfare Surcharge @ 10%	Rs. 7,268 (i.e. 72,675 @ 10%)	Transaction value subject to GST	Rs. 6,85,568	Add: IGST	Rs. 82,268 (i.e. 6,85,568 @ 12%)	Value of import	Rs. 7,67,836	Value of Customs duties	Rs. 1,62,211	Interest: (i.e. 1,62,211 x 15% x 54/365)	Rs. 3,600	
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Interest: (i.e. 1,62,211 x 15% x 54/365)	Rs. 3,600																														

	b.	<p>M/s. V Ltd. purchased raw material 'A' 10,000 kg @ Rs. 80 per Kg. plus, GST. The said raw material was used to manufacture product 'P'. The other information's are as under:</p> <p>Processing loss :2% on inputs 'A'</p> <p>Transaction value of 'P' : Rs. 100 per kg.</p> <p>Other material 'M' used in the manufacture of 'P' Rs. 2 lac plus GST.</p> <p>GST on capital goods imported during the period and used in the manufacture of 'P':</p> <p>-- Basic customs duty Rs. 20,000</p> <p>-IGST under customs under section 3(1) of the Customs Tariff Act, 1975 Rs. 10,000;</p> <p>Rate of GST on 'A', 'M' and 'P' 12%</p> <p>M/s. V Ltd. is not eligible for composition scheme under Section 10 of CGST Act, 2017</p> <p>Compute:</p> <p>(i) Amount of input tax credit available and</p> <p>(ii) GST payable by M/s. V Ltd and the excess ITC available after utilizing on the payment of GST.</p>	3+3															
		<p>Type your answer here</p> <p>(i) Amount of input tax credit available = Rs. 1,30,000</p> <p>(ii) GST payable by M/s. V Ltd= Rs.1,17,600 ; Excess ITC c/f= Rs.(12,400)</p> <p>ROUGH WORK:</p> <p>(i) Statement showing eligible input tax credit of M/s V Ltd.</p> <table><tr><th>Particulars</th><th>Value in Rs.</th><th>Working note</th></tr><tr><td>Raw material 'P'</td><td>96,000</td><td>(10,000 kg x Rs. 80) x 12%</td></tr><tr><td>Other material 'M'</td><td>24,000</td><td>2,00,000 x 12%</td></tr><tr><td>Capital goods (imported)</td><td>10,000</td><td>IGST allowed as ITC</td></tr><tr><td>Total ITC</td><td>1,30,000</td><td></td></tr></table> <p>(ii) Net GST liability of M/s V Ltd.</p> <p>Input 'A' 10,000 kg → Output 'P' 9,800 kg</p> <p>GST payable on value of supply 'P' = 1,17,600 (9,800 kg x Rs. 100) x 12%</p> <p>less: ITC allowed = (1,30,000)</p> <p>Excess ITC c/f = (12,400)</p>	Particulars	Value in Rs.	Working note	Raw material 'P'	96,000	(10,000 kg x Rs. 80) x 12%	Other material 'M'	24,000	2,00,000 x 12%	Capital goods (imported)	10,000	IGST allowed as ITC	Total ITC	1,30,000		
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Total ITC	1,30,000																	
7.	a.	<p>From the particulars given below, find out the assessable value of the imported goods under the Customs Act, 1962:</p> <table><tr><td></td><td>US \$</td></tr><tr><td>(I) Cost of the machine at the factory of the exporting country</td><td>10,000</td></tr><tr><td>(ii) Transport charges incurred by the exporter from his factory to the port for shipment</td><td>500</td></tr><tr><td>(iii) Handling charges paid for loading the machine in the ship</td><td>50</td></tr><tr><td>(iv) Buying commission paid by the importer</td><td>50</td></tr><tr><td>(v) Freight charges from exporting country to India</td><td>1,000</td></tr></table>		US \$	(I) Cost of the machine at the factory of the exporting country	10,000	(ii) Transport charges incurred by the exporter from his factory to the port for shipment	500	(iii) Handling charges paid for loading the machine in the ship	50	(iv) Buying commission paid by the importer	50	(v) Freight charges from exporting country to India	1,000	6			
	US \$																	
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(v) Freight charges from exporting country to India	1,000																	

	(vi)	Exchange Rate to be considered 1\$ - Rs. 65	
	Type your answer here		
	Sl. No.	Particulars	Value US \$
	i)	Cost of the machine at the factory of the exporting country	10,000
	ii)	Transport charges incurred by the exporter from his factory to the port for shipment	500
	iii)	Handling charges paid for loading the machine in the ship.	50
		FOB Value of Exporter	10,550
	iv)	Buying commission paid by the importer	-
			Not addable into the assessable value
	v)	Cost of insurance	118.6875
			@1.125% on FOB value
	vi)	Freight charges from exporting country to India	1,000
	vii)	CIF Value	11,668.6875
	viii)	1% Unloading charges	116.686875
			1% on CIF value
		Assessable value (in USD)	11,785.374375
		Assessable value (in INR)	7,66,049
			65 x US\$ 11,785.374375 = 7,66,049
b	Enumerate any six ineligible categories under Service Export from India Scheme.		
	<p>Type your answer here</p> <ol style="list-style-type: none"> 1. Foreign exchange earnings from a. Equity or debt participation b. Donations c. Receipts of repayment of loans 2. Raising of all types of foreign currency Loans 3. Export proceeds realization of clients 4. Issuance of Foreign Equity through AD Rs./ GD Rs. or other similar instruments 5. Issuance of foreign currency Bonds 6. Sale of securities and other financial instruments 7. Other receivables not connected with services rendered by financial institutions. 8. Earned through contract/ regular employment abroad (e.g. labour remittances) 9. Payments for services received from EEFC Account 10. Foreign exchange turnover by Healthcare Institutions like equity participation, donations etc. 11. Foreign exchange turnover by Educational Institutions like equity participation, donations etc. Under education services, SEIS shall not be available on Capitation fee. 12. Export turnover relating to services of units operating under EOU/ EHTP/ STPI/ BTP Schemes or supplies of services made to such units. 13. Clubbing of turnover of services rendered by SEZ/EOU/ EHTP/ STPI/ BTP units with turnover of DTA Service Providers 		

		<p>14. Exports of Goods</p> <p>15. Foreign Exchange earnings for services provided by Airlines, Shipping lines service providers plying from any foreign country X to any foreign country Y routes not touching India at all.</p> <p>16. Service providers in Telecom Sector</p>	
8.		You are required write Short Notes on any 4 out of 5	4 X 3 = 12
	a.	Liability under GST	3
		<p>Type your answer here</p> <p>Under the GST regime, liability to pay tax arises when a person crosses the turnover threshold of Rs. 20 lakhs (Rs. 10 lakhs for North Eastern & Special Category States) except in certain specified cases where the taxable person is liable to pay GST even though he has not crossed the threshold limit.</p> <p>The CGST / SGST is payable on all intra- state supply of goods and/or services and IGST is payable on all inter- state supply of goods and/or services.</p> <p>A Composition Scheme, which is mainly devised for small taxpayers, provides concessional rate of tax and filing of quarterly returns instead of monthly return. To be eligible for registration under composition scheme it is required that the aggregate turnover of a registered tax payer should not exceed Rs. 75,00,000 in the preceding financial year. (The limit is Rs. 50,00,000 for North Eastern & Special Category States)</p> <p>North Eastern and Special Category States are Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Tripura, Sikkim, and Himachal Pradesh.</p> <p>According to section 2(6) of the CGST Act, 2017, aggregate turnover means the aggregate value of all taxable supplies (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis), exempt supplies, exports of goods or services or both and inter-state supplies of persons having the same Permanent Account Number, to be computed on all India basis but excludes central tax, state tax, union territory tax, integrated tax and cess.</p>	
	b.	Provisional Assessment under section 60 of the CGST Act, 2017	3
		<p>Type your answer here</p> <p>Provisional assessment (Section 60 of the CGST Act, 2017):</p> <p>According to section 60(1) of the CGST Act, 2017 where the taxable person is unable to determine the value of goods or services or both or determine the rate of tax applicable thereto, he may request the proper officer in writing giving reasons for payment of tax on a provisional basis.</p> <p>The proper officer (i.e. The Asst. Commissioner/Dy. Commissioner of Central Tax) shall pass an order, within a period not later than 90 days from the date of receipt of such request, allowing payment of tax on provisional basis at such rate or on such value as may be specified by him.</p> <p>The Asst. Commissioner/Dy. Commissioner of Central Tax provisionally determines the amount of tax payable by the supplier and is subject to final determination.</p> <p>On provisional assessment, the supplier can pay tax on provisional basis but only after he executes a bond with security, binding them for payment of the difference between the amount of tax as may be finally assessed and the amount of tax provisionally assessed (Section 60(2) of the CGST Act, 2017)</p>	
	c.	Advance Authorization under Indian FTP	3

		<p>Type your answer here</p> <p>Advance Authorization:</p> <p>(i) Exporters having past export performance (in at least preceding two financial years) shall be entitled for Advance Authorization for annual requirement.</p> <p>(ii) Materials imported under advance authorization will 'Actual user condition'. These imported goods will not be transferable even after completion of export obligation. However, holder of advance authorization will have an option to dispose of product manufactured out of duty free inputs once export obligation is completed.</p> <p>(iii) Advance authorization is issued for inputs in relation to the resultant product on the basis of SION (Standard Input Output Norms). If SION for a particular item is not fixed, Regional Authority (RA) based on self-declaration by applicant except certain specified products, can issue advance authorization.</p> <p>(iv) It is necessary to establish that inputs actually used in manufacture of the export product should only be imported under advance authorization and inputs actually imported must be used in the export product, for redeeming the authorization.</p>	
	d.	Exported goods which may come back for repairs and re-export	3
		<p>Type your answer here</p> <p>Sometimes exported goods come back for repairs into India, in such situation the re-imported goods can avail exemption from paying duty subject to satisfaction of some conditions. Conditions need to be fulfilled are as follows: -</p> <ul style="list-style-type: none"> • The re-importation is for repairs or reconditioning only • The time limit for re-import should be within 7 years from the date of export. In case of export to Nepal, such time limit is 10 years. • The time limit for re-export is 6 months from the date of import (extended up to 12 months). • The importer at the time of importation executes a Bond. • The re-importation is for reprocessing, refining or re-making then the time limit for re-importation should be within 1 year from the date of exportation.. 	
	e.	"Import report" under the provisions of the Customs Act. 1962.	3
		<p>Type your answer here</p> <p>As per Section 2(24) of the Customs Act, "Import manifest" or "import report" means the manifest or report required to be delivered under section 30 of the Custom Act, 1962. When the person in charge of a vehicle carrying imported goods or any other person as may be notified by the Central Government shall, in the case of a vehicle, deliver to the proper officer an import report within 12 hours after its arrival in the customs station, in the prescribed form.</p>	
<p align="center">Section D</p> <p align="center">You are required to answer all the questions in this section</p> <p align="center">Instructions: Each question is followed by a space where you are required to type your answer.</p>			1 X 12 =12 Marks
9.		R Private Ltd., a registered supplier of Kolkata. The company started operating with one store at Sudder Street. Thereafter, it has started many more in and around the city of Kolkata. It had spread its operations in corners of West Bengal.	

	<p>The items are not of high value and that is why it does not appear that they have a huge turnover. It has a good no. of store presence in major satellite towns in the state.</p> <p>The company's first store has become the largest in its empire.</p> <p>The company was in the state of restructuring itself. They had initially started a small business and they registered themselves as a Micro Unit. The increase in sales were making them to look for restructuring and seriously look into their Goods and Services Tax.</p> <p>The pandemic had struck and the owners were caught in a mess. Their accounts, their trading – purchases and sales – all got badly hit.</p> <p>The managers had got the GST related work outsourced. As a result of which much records, filing, etc. got delayed. The managers could collect some invoices and other pieces of information which has been presented as below:</p> <p>The following details are relating to supplies effected during January, 2022:</p> <table><tr><th>Particulars</th><th>Amount (Rs.)</th></tr><tr><td>Sale Price charged to customers within the State of West Bengal (Excluding GST)</td><td>10,00,000</td></tr><tr><td>Service Charges levied in the invoices</td><td>11,000</td></tr><tr><td>Packing and Forwarding Expenses incidental to sale</td><td>14,200</td></tr><tr><td>Weighment charges, shown separately in invoices</td><td>7,800</td></tr><tr><td>Commission charged to buyers</td><td>15,000</td></tr><tr><td>Prompt payment discount, indicated in invoice 1%, if payment made within 1 month.</td><td></td></tr></table> <p>The rates of taxes for the goods supplied are as under:</p> <table><tr><th>Particulars</th><th>Rate</th></tr><tr><td>CGST</td><td>6%</td></tr><tr><td>SGST</td><td>6%</td></tr><tr><td>IGST</td><td>12%</td></tr></table> <p>The managers provided with some additional information that 60% of the customers did not make the payment within one month from the date of supply.</p> <p>The managers were very strict and hence they recovered the prompt payment discount offered to them.</p> <p>The members of the R Private Ltd. called you for your advice. The senior most manager revealed that the company has ample amount of turnover and is running efficiently at all branches throughout West Bengal.</p> <p>The management plays a crucial role in holding the business together and successfully operates every branch. Goods are often transferred from head office in Kolkata to its branches. The company maintains proper books of records although outsourced for every transaction that occurs between head office and branches.</p> <p>The company has been running smoothly until a decision was arrived at regarding expansion of business. Since, most of the managers are marketing oriented, there is practically no one advise on GST matters.</p> <p>The indirect tax laws have changed as GST came into effect from 1st July 2017. The management team is now started to indulge with the Goods and Service Act.</p>	Particulars	Amount (Rs.)	Sale Price charged to customers within the State of West Bengal (Excluding GST)	10,00,000	Service Charges levied in the invoices	11,000	Packing and Forwarding Expenses incidental to sale	14,200	Weighment charges, shown separately in invoices	7,800	Commission charged to buyers	15,000	Prompt payment discount, indicated in invoice 1%, if payment made within 1 month.		Particulars	Rate	CGST	6%	SGST	6%	IGST	12%	
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Particulars	Rate																							
CGST	6%																							
SGST	6%																							
IGST	12%																							
a.	(i) The prompt payment discount was recently introduced. As there is a considerable no. of customers who did not pay their dues within time, the discount will be reversed and/or recovered. The managers were confused regarding its treatment in GST.	2																						

[illegible]

		Computation of Taxable Supply		
		Sale Price charged to customers within the State of West Bengal (Excluding GST)	10,00,000	
		Service Charges levied in the invoices	11,000	
		Packing and Forwarding Expenses incidental to sale	14,200	
		Weighment Charges, shown separately in invoices	7,800	
		Commission charged to buyers	15,000	
		Prompt payment discount, indicated in invoice 1%	10,000	
		Computation of GST Payable		
		Value of Taxable Supply	10,38,000	
		CGST payable = 6% of Taxable Supply of Rs. 10,38,000	62,280	
		CGST payable = 6% of Taxable Supply of Rs. 10,38,000	62,280	
		IGCT payable	NIL	

END