

Paper 11 - Indirect Taxation

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Full Marks: 100

Time allowed: 3 Hours

1. Answer the following questions

(A) Multiple choice questions:

[7x2=14]

- (i)** The registered person shall not be eligible to opt for composition levy under GST, if such person is a manufacturer of:
- (a) Betel leaves;
 - (b) Puffed rice;
 - (c) Pan masala;
 - (d) Salt.
- (ii)** Goods and Services Tax (GST) has been implemented in India w.e.f. —
- (a) 1st July, 2017;
 - (b) 1st June, 2017;
 - (c) 1st September, 2017;
 - (d) 1st April, 2017.
- (iii)** Mr. T, a thief has stolen motorbike and sells the motorbike to Mr. Q. It is illegal to steal a motorbike. Sale of motorbike will be considered as:
- (a) supply and liable to be taxed;
 - (b) supply but not liable to be taxed;
 - (c) not at all supply;
 - (d) None of the above.
- (iv)** The frequency to file GSTR – 1 is:
- (a) Quarterly;
 - (b) Monthly;
 - (c) Annually;
 - (d) Semi-annually.
- (v)** The form of return which is used by the compounding taxable persons to file their return quarterly is:
- (a) GSTR-1;
 - (b) GSTR-2;
 - (c) GSTR-3;
 - (d) GSTR-4.
- (vi)** GST compensation cess will be levied on:
- (a) Motor vehicles;
 - (b) Tobacco;
 - (c) Aerated drinks;
 - (d) All of the above.
- (vii)** In case of customs valuation, if air freight is not given, it is to be considered as:
- (a) 20% of FOB value;

- (b) 1.125% of FOB value;
- (c) 15% of FOB value;
- (d) 10% of FOB value.

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

[6×1=6]

- (i) In Customs, warehouse means a public warehouse or a private warehouse or special warehouse.
- (ii) Wreck means when goods continue to float after thrown in sea.
- (iii) Services received by the Reserve Bank of India from outside India in relation to management of foreign exchange reserves also exempt from GST.
- (iv) Principal 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.
- (v) In GST, agricultural activities are not exempted from GST.
- (vi) Full exemption from IGST has been provided on passenger baggage in customs.

(C) Match the following:

[5×1=5]

	Column 'A'		Column 'B'
1.	Integrated Declaration under Indian Customs Single Window Project	A.	Exempted from GST
2.	Banking services	B.	Integrated Goods and Services Tax
3.	GST	C.	Effective from 01.04.2016
4.	IGST	D.	Final return
5.	GSTR-10	E.	eliminate cascading effect of tax

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

- 2.(a)** Mr. H registered in Hyderabad, who is selling goods from Telangana to Tamil Nadu. Turnover of Mr. H is ₹ 73 Lakhs in the preceding financial year. Whether Mr. H is eligible for Composition?

Whether your answer will change if Mr. H is making purchase from Tamil Nadu and selling goods in Telangana? **[5]**

- (b)** Name the specified persons who are required to pay GST under reverse charge in case of services provided by Goods Transport Agency. **[10]**

- 3.(a)** "Exchange is a form of supply of goods or services or both, made or agreed to be made for a consideration by a person in the course or furtherance of business." — Explain it with help of an example. **[7]**

- (b)** Mr. Ram sold goods to Mr. Ravi worth ₹ 5,00,000. The invoice was issued on 15th November. The payment was received on 30th November. The goods were supplied on 20th November.

Find the time of supply of goods?

P.Y. turnover of Mr. Ram ₹ 172 lakhs.

[4]

(c) When shall the safeguard duty under section 8B of the Customs Tariff Act, 1975 not imposed? Discuss briefly. [4]

4.(a) State the advantages of voluntary registration under GST. [5]

(b) Mr. A has output Tax Liability of ₹ 1,00,000/- towards CGST & SGST/UGST and ₹ 20,000 towards IGST and also interest payable of ₹ 1800/-. Explain the manner of discharge tax liability by Mr. A in the following two independent cases:

1. Input tax credit available of CGST & SGST is ₹ 25,000/- each & IGST is ₹ 25,000/-
2. Input tax credit not available. [10]

5.(a) Mr. A located at Kolkata provides training at Kolkata to employees of M/s Infosys Ltd, which is registered at Mumbai.

Find the place of supply of service and GST liability in the following two cases:

Case 1: Infosys Ltd. is registered person under GST.

Case 2: Infosys Ltd. is not registered person under GST. [6]

(b) Mark Agro Products Ltd., furnishes the following details of various services provided by it in the month of August, 2017:

S. No.	Particulars	Amount (₹)
1	Rearing of Silkworm and horticulture	2,50,000
2	Plantation of tea and coffee	2,00,000
3	Renting of vacant land for performing marriage ceremony	4,50,000
4	Sale of wheat on commission basis	50,000
5	Sale of rice on commission basis	2,00,000

Compute the value of taxable supply of services and the GST liability of Mark Agro Products Ltd. for the month of August 2017. Assume rate of GST 18%. [9]

6.(a) Amarnath, an IT professional and a person of Indian origin, is residing in Denmark for the last 14 months. He wishes to bring a used microwave oven (costing approximately ₹ 1,24,200 and weighing 15 kg) with him during his visit to India. He purchased the oven in Denmark 6 months back and he has been using that oven for his personal use in his kitchen. He is not aware of Indian customs rules. Advise him in this regard. [8]

(b) What is Revised Invoice as per Section 31(3)(a) of the CGST Act, 2017? [7]

7.(a) What is Works Contract according to sec. 2(119) the CGST Act? [5]

(b) BSA & Company Ltd. have imported a machine from U.K. From the following particulars furnished by them, arrive at the assessable value for the purpose of customs duty payable:

(i)	F.O.B. cost of the machine	10,000 U.K. Pounds
(ii)	Freight (air)	3,000 U.K. Pounds
(iii)	Engineering and design charges paid to a firm in U.K.	500 U.K. Pounds
(iv)	License fee relating to imported goods payable by the buyer as a condition of sale	20% of F.O.B. Cost
(v)	Materials and components supplied by the buyer free of cost valued	₹ 20,000
(vi)	Insurance paid to the insurer in India	₹ 6,000
(vii)	Buying commission paid by the buyer to his agent in U.K.	100 U.K. Pounds

Other Particulars:

- (i) Inter-bank exchange rate as arrived by the authorized dealer: ₹ 72.50 per U.K. Pound.
- (ii) CBEC had notified for purpose of Section 14 of the Customs Act, 1944, exchange rate of ₹ 70.25 per U.K. Pound.
- (iii) Importer paid ₹ 5,000 towards demurrage charges for delay in clearing the machine from the Airport.

(Make suitable assumptions wherever required and show workings with explanations)

[10]

- 8.(a)** Mr. M of Maharashtra supplied goods/services for ₹ 35,000 to Mr. P of Pune. Mr. M purchased goods/services for ₹ 23,600 (inclusive of IGST 18%) from Mr. C of Tamil Nadu. SGST and CGST rate on supply of goods and services is 9% each. Find the following:
1. Total price charged by Mr. M for supply of goods/services and
 2. Who is liable to pay GST?
 3. Net liability of GST.

[8]

- (b)** Write a short note on electronic ledgers in GST.

[7]