

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 electronic ledger which is used to record and maintain all the liabilities of a taxable person, is called —
(a) Electronic credit ledger;
(b) Electronic liability ledger;
(c) Electronic cash ledger;
(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.
- (iii)** The form to be used for filing return by a taxpayer under composition scheme is:
(a) GSTR-4;
(b) GSTR-5;
(c) GSTR-6;
(d) GSTR-7.
- (iv)** 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.
- (v)** Which of the following is not a feature of indirect taxes?
(a) Regressive nature
(b) Supply based taxes
(c) Rate of taxes are different from person to person
(d) No previous year and assessment year concept.
- (vi)** As per Baggage Rules, 2016, the general free allowance of passengers of Indian resident arriving from countries other than Nepal, Bhutan or Myanmar, will be:
(a) ₹ 15,000
(b) ₹ 50,000
(c) ₹ 35,000
(d) None of the above.
- (vii)** Exempt supply includes the supply of following type of goods and services:
(a) Supply attracting nil rate of tax;
(b) Supplies wholly exempt from tax;

- (c) Non-taxable supply;
 (d) All of the above.

(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) Jetsam means where goods are cast into sea to reduce weight of ship to prevent it from sinking and the thrown goods sink.
- (v) If the assessment is delayed for imported goods, then those goods can be stored in public warehouse without executing a bond, is called warehousing without warehousing.
- (vi) Identical goods must be same in all respects, except for minor differences in appearance.

(C) Match the following:

[5×1=5]

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

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.

[6]

(b) Shambhu Pvt. Ltd. was awarded a contract in July 2017 for providing flooring and wall tiling services in respect of a building located in Delhi by Nath Ltd. As per the terms of contract, Shambhu Pvt. Ltd. was to provide all the required material for execution of the contract. However, Nath Ltd also provided a portion of the material.

Whether the services provided by Shambhu Pvt. Ltd. are subject to GST? If yes, determine the GST liability of Shambhu Pvt. Ltd. from the following particulars-
 Particulars

- | | | |
|-------|---|----------|
| (i) | Gross amount charged by the Shambhu Pvt. Ltd. | 6,00,000 |
| (ii) | Fair market value of the material supplied by Nath Ltd. | 1,00,000 |
| (iii) | Amount charged by Nath Ltd. for the material
[included in (i) above] | 60,000 |

Note: CGST 6% and SGST 6%.

[9]

- 3.(a)** Divyakripa Trust, an entity registered under section 12AA of the Income-tax Act, 1961, has furnished you the following details with respect to the activities undertaken by it. You are required to compute its tax liability from the information given below:

Particulars	₹
Amount received for the Yoga camps organized for elderly people	4,83,000
Payment made for the services received from a service provider located in US, for the purposes of providing 'charitable activities'	5,50,000
Amount received for counseling of mentally disabled persons	10,50,000
Amount received for renting of commercial property owned by the trust	1,50,000
Amount received for activities relating to preservation of forests and wildlife	12,35,000

Note: Applicable CGST 9% and SGST 9% have been charged separately wherever applicable. Divyakripa Trust is not eligible for composition levy. [10]

- (b)** Mr. D of Delhi being an event organizer hosted an exhibition at Mumbai to exhibit the products of exhibitor namely, Chennai Silks, Chennai, a registered person. Find the Place of supply of service and GST. [5]

- 4.(a)** Who are the persons not entitled to avail Composition Scheme in GST? [7]

- (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 2015.

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 2017 is leviable to GST?

Whether your answer is different if periodic payment required to be made by the assignee. [8]

- 5.(a)** Find the taxability for the following independent cases:

- 1) Packing of pulses in retail packs for ₹ 42,000.
- 2) Packing of tomato ketchup for ₹ 54,000
- 3) Commission on sale of rice for ₹ 10,125.
- 4) Storage of rice flour in the warehouse for ₹ 12,000. [8]

- (b)** What is foreign going vessel or aircraft under Customs Act? [7]

6.(a) Y Ltd. is operating in two states Andhra Pradesh and Tamil Nadu. The tax liability for the month of August 2017 is as follows —

S. No.	Tax Liability	Andhra Pradesh (₹)	Tamil Nadu (₹)
1.	Output CGST Payable	25,000	10,000
2.	Output SGST Payable	10,000	5,000
3.	Output IGST payable	3,000	2,500
4.	Input CGST	8,000	13,000
5.	Input SGST	15,000	1,500
6.	Input IGST	12,000	16,000

Calculate the tax payable for the month of August 2017. **[10]**

(b) X & Co., receives an advance of ₹ 2,500/- on 29.07.17 for goods worth ₹ 10,000/- to be supplied in the month of September 2017.

Find the following:

1. Value of supply of goods in the month of July 2017
2. Due date of tax liability for the month of July 2017.

Note: P.Y. turnover ₹ 1.80 crore. **[5]**

7. State the contents of a Tax Invoice. **[15]**

8.(a) 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? **[6]**

(b) Mr. Ajay, an Indian entrepreneur, went to London to explore new business opportunities on 01.04.2017. His wife also joined him in London on 01.12.2017. The following details are submitted by them with the Customs authorities on their return to India on 30.04.2018.-

- (1) used personal effects worth ₹ 80,000
- (2) a music system worth ₹ 35,000
- (3) the jewellery brought by Mr. Ajay for ₹ 48,000 and the jewellery brought by his wife worth ₹ 20,000

Determine their eligibility with regard to duty free allowance. **[9]**