

FINAL EXAMINATION
MODEL QUESTION PAPER
PAPER – 19
INDIRECT TAX LAWS & PRACTICE

SET - 1
TERM – DECEMBER 2024
SYLLABUS 2022

Time Allowed: 3 Hours

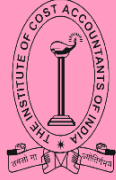
Full Marks: 100

The figures in the margin on the right side indicate full marks.

SECTION – A (Compulsory)

1. Choose the correct option: **[15 x 2 =30]**

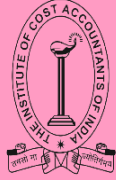
- (i) Who is eligible to claim input tax credit under GST?
- Only registered businesses
 - Only individuals
 - Only government entities
 - Any person irrespective of registration status
- (ii) In GST, aggregate turnover does not include-
- Inward supplies on which tax is payable on reverse charge basis
 - Exempt supplies
 - Export of goods or services or both
 - Inter-State supplies of persons having the same PAN number
- (iii) In which of the following cases, old rate will not be applicable with respect to change in rate of supply of goods?
- Supply was completed before the change of rate and payment was also received but the invoice is issued after the change in rate of tax.
 - Invoice was issued before the change in rate and payment was also received but the supply was made after change in rate of tax.
 - Payment was received before change in rate of tax but the sales were made after the change in rate of tax and subsequently the invoice was issued after the completion of sale.
 - Supply was completed before change of tax and the invoice was also issued but the payment was received after the change in rate.
- (iv) Zero rated supply does not includes:
- Export of goods or/and services;
 - Supply of goods or/and services to SEZ;
 - Supply of goods or/and services by SEZ
 - Both B and C
- (v) Mr. Oberoi from Ahmedabad hires an aircraft from a company of Vietnam for a business tour. However, they board the aircraft from Mumbai. The place of supply of service will be:
- Location of supplier
 - Location of recipient
 - Location where service is performed.



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- d. Location where passenger embarks the journey.
- (vi) Supplier X makes a supply worth ₹11,800 (inclusive of GST) to a Municipality where the contract for supply is for ₹15,00,00. The rate of GST is 18%. The supplier and the deductor are in the same State. What would be the Net payment to Supplier X after deducting TDS?
- ₹11,000
 - ₹11,800
 - ₹10,000
 - ₹11,600
- (vii) In GST, refund shall not be paid to the applicant if the amount of refund is less than:
- ₹8,000
 - ₹1,000
 - ₹5,000
 - ₹10,000
- (viii) M/s Ashok Enterprise sells mineral water bottles, with MRP ₹22 per bottle. However, customers availing the discount of ₹5 per bottle. In the month of April 2024, M/s Ashok Enterprise sold 2,500 bottles. Applicable rate of GST 18%. What will be the invoice price?
- ₹37,760
 - ₹50,150
 - ₹42,500
 - ₹55,000
- (ix) In which of the following cases, E-way Bill is required?
- The mode of transport is non-motor vehicle.
 - Goods transported under Customs supervision or under customs seal
 - Transit cargo transported to or from Nepal or Bhutan
 - None of the above
- (x) If a person is arrested for a cognizable offence, then he must be produced before a magistrate within:
- 24 hours of his arrest
 - 48 hours of his arrest
 - 24 hours of his warrant
 - 48 hours of his warrant
- (xi) Calculate Cost of transport/handling under Rule 10(2)(a) if total of FoB and insurance cost is \$5000.
- \$2,500
 - \$6,000



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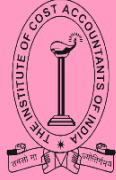
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- c. \$1,000
d. None of the above
- (xii) The protective duties are levied by the _____ upon the recommendation made to it by the Tariff Commission and upon it being satisfied that circumstances exist which render it necessary to take immediate action to provide protection to any industry established in India.
- a. Central Board of Indirect Taxes & Customs
b. Central government
c. Supreme court
d. None of the above
- (xiii) Countervailing duty shall not be levied unless it is determined that:
- a. The subsidy relates to export performance
b. The subsidy relates to the use of domestic goods over imported goods in the export article
c. The subsidy has been conferred on a limited number of persons engaged in the manufacture, production, or export of articles
d. All the above
- (xiv) Only those projects having a minimum investment of _____ in plant & machinery shall be considered for establishment as EOUs.
- a. ₹1 crore
b. ₹10 crores or above
c. Below ₹5 crores
d. ₹100 crore or above
- (xv) When an SEZ supplies goods/services to a Domestic Tariff Area (DTA), it is exempt from paying taxes, although the receiver in the DTA has to pay:
- a. IGST under reverse charge mechanism (RCM).
b. CGST and SGST under reverse charge mechanism (RCM).
c. CGST and UTGST under reverse charge mechanism (RCM).
d. IGST under forward charge

SECTION-B

(Answer any five questions out of seven questions given. Each question carries 14 Marks.)
[5x14=70]

2. (a) Discuss E-Way Bill and also discuss when it should be issued and who should generate the same. [7]
- (b) Discuss the penal provisions for return filing. [7]



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3. (a) Well-Being Nursing Home has received the following amounts in the month of Jan 2024 in lieu of various services rendered by it in the same month. You are required to calculate its GST liability from the details furnished below:

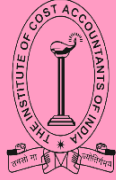
| Sl. No. | Particulars | (₹ in lakh) |
|---------|---|-------------|
| (i) | Palliative care for terminally ill patients at patient's home (Palliative care is given to improve the quality of life of patients who have a serious or life-threatening disease but the goal of such care is not to cure the disease) | 30 |
| (ii) | Services provided by cord blood bank unit of the nursing home by way of preservation of stemcells | 24 |
| (iii) | Hair transplant services | 100 |
| (iv) | Ambulance services to transport critically ill patients from various locations to nursing home | 12 |
| (v) | Transportation of patients in an ambulance on behalf of the State Governments against consideration | 10 |
| (vi) | Naturopathy treatments. Such treatment is a recognized system of medicine in terms of section 2(h) of the Clinical Establishments Act, 2010 | 80 |
| (vi) | Plastic surgery to restore anatomy of a child affected due to an accident. | 30 |
| (vii) | Pranic healing treatments. Such treatment is not a recognized system of medicine in terms of section 2(h) of the Clinical Establishments Act, 2010 | 120 |
| (ix) | Mortuary services | 10 |

All the amounts given above are exclusive of GST. Further, Well-Being Nursing Home is registered person under GST. Applicable rate of GST is 18%. All transactions are at intra-State level. [7]

- (b) M/s Lips Ltd., manufactures four types of 'Nail Polishes', namely Sweety, Pretty, Beauty, Tweety. The Company has taken input tax credit of ₹3,00,000 on the common inputs used in the manufacture of 'Nail Polishes'. Common inputs also used partly for non-business purposes. During the financial year the company manufactured 1000 litres of each type of 'Nail Polishes'. The Company was not in a position to maintain separate set of records with regards to inputs used for final products. GST payable on final goods @12%.

You are required to calculate the net GST payable by M/s Lips Ltd. for the year from the following data:

| | Description | Sale price (Exclusive of GST) |
|--|-------------|-------------------------------|
| | | |



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| Product Name | | |
|--------------|--|----------------------|
| Sweety | Sale to Domestic Tariff Area | ₹30 per 20ml. bottle |
| Pretty | Sale to a Special Economic Zone (SEZ) | ₹40 per 20ml. bottle |
| Beauty | Sale to A Ltd. of USA | ₹50 per 20ml. bottle |
| Twety | Sale to Defence Canteen(Exempted from GST) | ₹60 per 20ml. bottle |

[7]

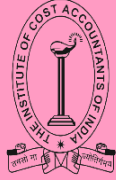
4. (a) Explain the conditions under which TDS should be deducted and also identify the situations where it is not necessary to deduct TDS. [7]
- (b) Describe who can be considered as a 'related person' under Section 15 of the CGST Act, 2017?" [7]
5. (a) Cunning Ltd. furnishes the following expenditure incurred by them to find the transaction value for the purpose of paying GST.
- | | |
|--|---------|
| i. Direct material cost per unit inclusive of IGST at 18% | ₹10,620 |
| ii. Direct wages | ₹2,500 |
| iii. Other direct expenses | ₹1,050 |
| iv. Indirect materials | ₹705 |
| v. Factory overheads | ₹2,500 |
| vi. Research and development cost | ₹5,000 |
| vii. Administrative overhead (45% relating to production capacity) | ₹1,000 |
| viii. Selling and distribution expense | ₹1,500 |
| ix. Quality control | ₹250 |
| x. Sale of scrap realised | ₹255 |
| xi. Actual profit margin | 25% |

Calculate the value for payment of GST as per Rule 30 of the CGST Rules, 2017.

[7]

- (b) Calculate the GST liability of Mr. A, an air travel agent, for the quarter ended March 31, 2024 using the following details: -

| Particulars | Amount (₹) |
|---|------------|
| Basic air fare collected for domestic booking of tickets | 65,00,000 |
| Basic air fare collected for international booking of tickets | 90,00,000 |
| Commission received from the airlines on the sale of domestic and international tickets | 5,50,000 |



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| | |
|--|--------|
| Year ending bonus received from airlines | 90,000 |
|--|--------|

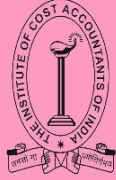
In the above case, would the GST liability of Mr. A be reduced if he opts for the special provision for payment of GST as per Rule 32(3) of the CGST Rules, 2017? The applicable rate of GST is 18%. [7]

6. (a) Discuss various Trade Facilitation Measures taken by Indian Customs. [7]
- (b) Identify the supplies which are to be considered as deemed exports and also describe the benefits of deemed exports. [7]
7. (a) X Ltd has exported following goods to USA. Discuss whether any duty drawback is admissible under section 75 of the Customs Act, 1962.

| Product rate | FOB Value of Exported Goods (₹) | Market Price of goods (₹) | Duty drawback |
|--------------|---------------------------------|---------------------------|---------------|
| A | 2,50,000 | 1,80,000 | 30% of FOB |
| B | 1,00,000 | 50,000 | 0.75% of FOB |
| C | 8,00,000 | 8,50,000 | 3.50% of FOB |
| D | 2,000 | 2,100 | 1.50% of FOB |

Note: Imported value of product C is ₹9,50,000. [7]

- (b) ABC Technologies Ltd., has imported certain equipment from Japan at an FOB cost of 2,00,000 Yen (Japanese). The other expenses incurred by M/s. ABC Technologies in this connection are as follows:
- (i) Freight from Japan to India Port 20,000 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. ABC Technologies had expended ₹1,00,000 in India for certain development activities with respect to the imported equipment
 - (v) ABC Technologies had incurred road transport cost from Mumbai port to their factory in Karnataka ₹30,000
 - (vi) The Central Board of Indirect Taxes and Customs had notified for purpose of section 14(3) of the Customs Act, 1962 exchange rate of 1 Yen = ₹0.3948. The interbank rate was 1 Yen = ₹0.40
 - (vii) M/s ABC Technologies had effected payment to the Bank based on exchange rate 1 Yen = ₹0.4150



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(viii) The commission payable to the agent in India was 5% of FOB cost of the equipment in Indian Rupees.

Calculate the assessable value under the Customs Act, 1962 providing brief notes wherever required with appropriate assumptions. [7]

8. (a) Maruti Traders, a dealer in furniture, located in Maharashtra, receives an order from Bhagavan Traders, also located in Maharashtra. The order is for the supply of 250 Tables, with an instruction to ship the Tables to Bhakta Hardware's, located in Tamil Nadu. Bhakta Hardware's is a customer of Bhagavan Traders. Suggest the place of supply and levy of GST in the hands of Maruti Traders as well as Bhagavan Traders. [7]

(b) Ram & Co., being a registered person under GST supplied the following in the month of January 2024:

| Particulars | Value in ₹ |
|---|------------|
| Taxable supply of goods | 20,00,000 |
| Exempted supply of goods | 5,00,000 |
| Sale of land | 12,50,000 |
| Recovery Agent services supplied to OK Bank | 2,50,000 |
| Deposit on which interest received | 2,00,000 |
| Total | 42,00,000 |

Common inputs for the relevant tax period is ₹2,00,000.

GST applicable rate on outward supply of goods @28%. Calculate the GST liability. [7]