

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

Answer question No. 1 which is compulsory and any four from rest of this section.

1. Answer the following questions:

(A) Multiple choice questions:

[5×1=5]

- (i) If a state loses revenue because of abolition of central sales tax, Central Government will pay compensation in the form of GST compensation cess for:
- (a) 1 year
 - (b) 3 years
 - (c) 5 years
 - (d) 10 years.
- (ii) If any supply made by a trader from Delhi to another trader in Delhi, the supply will be subject to:
- (a) CGST and SGST
 - (b) CGST and UTGST
 - (c) IGST
 - (d) SGST and UTGST.
- (iii) Mr. A is a well-known singer. He receives a life-time achievement award which consist of a memento and a cheque of ₹ 10,00,000. It is:
- (a) Supply and chargeable to GST
 - (b) Supply but not chargeable to GST
 - (c) Not supply and hence not chargeable to GST
 - (d) None of the above.
- (iv) The place of supply of services pertaining to transportation of goods (including by mail or courier) to an unregistered person, will be:
- (a) Location of recipient of Service
 - (b) Location at which such goods are handed over for their transportation
 - (c) Location of billing address of recipient of Service
 - (d) None of the above.
- (v) A person who has opted for composition levy is required to file quarterly return in Form GSTR-4 on or before:
- (a) 18th day of the succeeding the quarter
 - (b) 20th day of the succeeding the quarter
 - (c) 25th day of the succeeding the quarter
 - (d) 30th day of the succeeding the quarter.

(B) Say True or False for the following question:

[5×1=5]

- (i) One of the advantages of GST is – one nation, one tax.
- (ii) In case of intra-state transactions, IGST will be levied.

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- (iii) A thief has stolen a motorbike and sells the motorbike. Sale of motorbike considered as supply of goods liable to be taxed.
- (iv) A bank received commission for debt collection service, is exempted from GST.
- (v) Registration is required if the aggregate turnover exceeds ₹ 10 Lakhs in case of Jammu & Kashmir.

(C) Match the following:

[5×1=5]

	Column 'A'		Column 'B'
1.	Agriculturist	A.	Discharge of tax liability
2.	GSTIN	B.	Not liable for registration under GST
3.	Electronic cash ledger	C.	Exempted from GST
4.	Services of slaughtering of animals	D.	No consideration
5.	Subsidy	E.	15-digit code

(D) Fill in the blanks:

[5×1=5]

- (i) The Constitution of India has been amended by the _____ Act, 2016 so as to simultaneously empower the Centre and the States to levy and collect GST.
- (ii) Services provided by Police or security agencies of Government to PSU/ private business entities _____ (are/ are not) exempt from GST.
- (iii) Every taxable person registered as an input service distributor shall furnish a monthly return within _____ days after the end of such month.
- (iv) On receipt of an application of registration, an acknowledgement shall be issued electronically to the applicant in Form _____.
- (v) _____ 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.

2.(a) State the differences between direct taxes and indirect taxes.

[7]

- (b)(i) Micro Apparels in Chennai, Tamil Nadu, avails fashion designing services of ₹ 50,00,000 from Prabhu Designs in Singapore. Is it supply? If so, who is liable to pay GST? **[2]**
- (ii) Discuss whether the following services are chargeable to GST -
 - 1. Service by way of transmission/ distribution of electricity by BSES.
 - 2. A Ltd. charges ₹ 3 lakhs for storage and warehousing of turmeric.
 - 3. B Ltd. charges ₹ 1.5 lakhs for storage of potato chips.
 - 4. Service provided by Post Office by way of express parcel post. **[6]**

3.(a) Mr. A, a registered person received goods from Mr. B, an unregistered dealer. Mr. B issues invoice on 1st July 2018.

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

- 1. Mr. A received goods on 17th July 2018, payment of which is not made yet.
- 2. Mr. A received goods on 13th August 2018 & made payment for the same on 14th August 2018.
- 3. Mr. A made payment on 10th July and received goods on the same date.
- 4. Mr. A received goods on 15th July 2018 & made payment for the same on 14th July 2018. **[8]**

(b)(i) What do you mean by location of recipient of service?

[4]

- (ii) Mr. Alok, a supplier registered in Hyderabad (Telangana), procures goods from China and directly supplies the same to a customer in US. With reference to the provisions of

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GST Law, examine whether the supply of goods by Mr. Alok to customer in US is an inter-state supply. [3]

- 4.(a) State the salient features of composite supply. Give an example of composite supply. [7]
- (b) Determine the amount of input tax credit available with Arihant Manufacturing Ltd. in respect of the following items procured by them in the month of January 2018:

Items	GST paid in ₹
Raw materials	72,000
Food and beverages & catering services are used in the guest house primarily for the stay of the newly recruited employees	40,000
Inputs used for making structures for support of plant and machinery	1,25,000
Capital goods used as parts and components for use in the manufacture of final product	40,000

[8]

- 5.(a) Describe the procedure for application of registration and filing of returns by the casual taxable persons. [7]
- (b) Bright Ltd. (A registered taxable person) provides the following informations relating to the services for the month of September, 2018:

	₹
Gross receipts from —	
Running a boarding school (including receipts for providing residential dwelling services of ₹ 14,00,000)	30,00,000
Conducting private tuitions	15,50,000
Education services for obtaining a qualification recognised by Law of a foreign country	7,00,000
Conducting modular employable skill course, approved by National Council of vocational training	10,40,000
Fees from prospective employers for campus interview	7,00,000
Renting of furnished flat for temporary stay to different persons	6,40,000

Compute the value of taxable supply and the amount of GST payable. The above receipts are exclusive of GST. The rate of GST is 18%. [8]

- 6.(a) From the following information, determine the value of taxable supply as per provisions of sec. 15 of the CGST Act:

	₹
Value of machine (including GST @ 12%)	16,00,000
Invoice value includes the following:	
(1) Taxes (other than CGST/ SGST/ IGST) charged separately by the supplier	15,000
(2) Weighment and loading charges	25,000
(3) Consultancy charges in relation to pre-installation planning	10,000
(4) Testing charges	2,000
(5) Inspection charges	4,500
Other information:	
(i) Subsidy received from Central Government for setting up factory in backward region	51,000

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(ii) Subsidy received from third party for timely supply of machine to recipient	50,000
(iii) Trade discount actually allowed shown separately in invoice	24,000

Specify reasons with suitable assumptions where necessary.

[11]

- (b)** Determine whether the supplier in the following cases is eligible for composition levy provided their turnover in preceding year does not exceed ₹ 100 lakhs:
- (1) Mr. A is engaged in providing legal services in West Bengal and is registered in the same State.
 - (2) LTG Manufacturers has registered offices in Punjab and Haryana and supplies goods in neighboring States.

[2+2=4]

7. Short note: (any three)

[5×3]

- (a) GST Council
- (b) Advantages of voluntary registration under GST
- (c) Tax invoice
- (d) Distribution of credit by input service distributor.

Section – B

Answer question No. 8 which is compulsory and any one from rest of this section.

8. Answer the following questions:

[5×1=5]

- (i)** From base line, Indian customs waters extend to:
 - (a) 12 nautical miles
 - (b) 24 nautical miles
 - (c) 36 nautical miles
 - (d) 48 nautical miles

- (ii)** In the GST regime, for the purpose of levying IGST for all the imports, duty shall be levied:
 - (a) @ 5%
 - (b) @ 10%
 - (c) @ 18%
 - (d) @ 25%.

- (iii)** In case, the cost of insurance to the place of importation is not ascertainable, then such cost shall be:
 - (a) 1.125% of FOB value of goods
 - (b) 20% of FOB value of goods
 - (c) 1% of FOB value of goods
 - (d) None of the above.

- (iv)** Which of the following is a type of bill of entry can be presented by an importer for the purpose of clearing imported goods?
 - (a) Bill of entry for home consumption
 - (b) Bill of entry for warehousing
 - (c) Ex-bond clearance bill of entry
 - (d) All of the above.

- (v)** In case, the goods are re-exported out of India without being put to use, the drawback is allowed equal to:
 - (a) 98% of import duty

- (b) 90% of import duty
- (c) 100% of import duty
- (d) 15% of import duty.

9.(a) In case of pilferage, state the conditions which are to be satisfied for exemption from duty. **[3]**

(b) A commodity is imported into India from a country covered by a notification issued by the Central Government under section 9A of the Customs Tariff Act, 1975. Following particulars are made available:

CIF value of the consignment: US\$ 25,000

Quantity imported: 500 kgs.

Exchange rate applicable: ₹ 60 = US\$ 1

Basic customs duty: 12%

Social welfare cess is chargeable @ 10%.

As per the notification, the anti-dumping duty will be equal to the difference between the costs of commodity calculated @ US\$ 70 per kg. and the landed value of the commodity as imported.

Appraise the liability on account of normal duties, surcharge and the anti-dumping duty.

Assume that no GST compensation cess is payable. IGST @12% is also to be applicable.

[12]

10.(a) What is warehousing in customs? State the features of warehousing. **[1+10=11]**

(b) Write down the baggage rules, 2016 in the context of the duty free jewellery. **[4]**