

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:

[5×1=5]

(A) Multiple choice questions:

- (i) GST is based tax.
- (a) Income
 - (b) Supply
 - (c) Both (a) and(b)
 - (d) None of the above.
- (ii) CBEC is renamed as
- (a) Central Board of Indirect taxes and Customs
 - (b) Central Board of Excise and Customs
 - (c) Central Board of Export and Customs
 - (d) Central Board of Import and Customs.
- (iii) GST law applies on :
- (a) Supply of goods only
 - (b) Supply of services only
 - (c) Supply of both goods and services
 - (d) None of the above.
- (iv) Which of the following is supply of goods
- (a) Transfer of title of goods
 - (b) Transfer of rights in goods
 - (c) Lease ,tenancy, easement
 - (d) Any treatment applied to another person's goods
- (v) In GST, mobile recharge vouchers are :
- (a) goods
 - (b) services
 - (c) either goods or services
 - (d) none of the above

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

[5×1=5]

- (i) Intermediary services does not include tour operator.
- (ii) An agriculturist does not need registration to the extent of supply of produce out of cultivation.
- (iii) Granting loan to a person against interest is a service.
- (iv) The place of supply of goods imported into India shall be location of importer.
- (v) Sale of plastics bangles for ₹ 20000 is taxable supply.

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(C) Match the following:

[5×1=5]

	Column 'A'		Column 'B'
1.	State taxes subsumed in GST	A.	Output tax – input tax
2.	Outward supply	B.	Section 2(6) CGST Act
3.	Aggregate turnover	C.	Electronic document carried by Person- in- charge
4.	Tax payable	D.	Taxes on advertisement
5.	EWB	E.	GSTR-1

(D) Fill in the blanks:

[5×1=5]

- (i) E-way bill will be generated when there is a movement of goods in a vehicle of value more than ₹_____.
- (ii) Gifts not exceeding _____in value in a financial year by an employer to an employer shall not be treated as supply of goods or services or both.
- (iii) Alcoholic liquor for human consumption is _____(taxable or non taxable) supply.
- (iv) Every electronic commerce operator shall collect GST from its client @_____% irrespective of value of transaction.
- (v) A registered person making supply of exempted goods or services or both shall issue_____.

2.(a) What is GSTN ? State the functions of GST council.

[2+5]

(b)(i) Mr. C of Chennai paid fees for online coaching obtained from a teacher located in USA for coaching of Accountancy course for his son. Is it supply ? If so who is liable to pay GST.

[2]

(ii)Mr. Sitaram is running a consulting firm and also a readymade garment show room, registered in same PAN. Turnover of the showroom is 60 lakhs and receipt of the consultancy firm is ₹12 Lakhs in the preceding financial year. You are required to answer the following:

- a) Is Mr. Sitaram eligible for Composition Scheme?
- b) Whether it is possible for Mr. Sitaram to opt for composition only for Showroom?
- c) Rework, if Mr. Sitaram is running a restaurant as well as readymade garment show room, whether he is eligible for composition?
- d) If the turnover of garment showroom is ₹ 75 Lakh in the preceding financial year and there is no consulting firm whether he is eligible for Composition?

[6]

3.(a) The Royce Group being an event organizer located at New Delhi organized Miss India 2018 beauty pageant in the following cities for M/s AKS Miss India, who registered person located in Mumbai :

City	No. of days	Fees in ₹
New Delhi	12	12 crores
Chennai	18	18 crores
Mumbai	20	20 crores
Total	50	50 crores

Find the place of supply of service if contract specifies clear details.

Find the place of supply of service if contract specifies lump sum amount of ₹ 48 crores.

[4+4]

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(b)(i) A registered dealer purchased goods on which RCM is applicable ,details are as under :-

- Goods purchased as on 6.7.18
 - Delivery received as on 6.7.18
 - Date of invoice 6.7.18
 - Invoice received as on 10.7.18
 - Payment made as on 3.12.18.
- Find Time of Supply. **[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 GST Law, examine whether the supply of goods by Mr. Alok to customer in US is an inter-state supply. **[3]**

4.(a) Discuss under following situations , who is liable pay GST and take GST registration .

S.No.	Cases
1.	Praveen owns a radio taxi. He provides his service in Kolkata through Ola.
2.	Navdeep owns a radio taxi and operates with Delhi based Electronic Commerce Operator(ECO) named "Timepe taxi"
3.	Ganpati ltd. is running a hotel in Mumbai and providing boarding and loading service through "journey .com"(a UK based website). Total turnover of Ganpanti ltd. is ₹ 70 lakhs.
4.	TVM ltd. is running hotel in Kolkata and providing boarding and loading service through "journey .com"(a UK based website). Total turnover of TVM ltd. is ₹17 lakhs.
5.	Rupesh is a plumber providing housekeeping services through Goclean.com (Nepal based website), turnover of Rupesh is ₹15 lakhs.
6.	Mr. C , recovery agent provides recovery service to Punjab national bank.
7.	Mineral exploration contract for 18 months is awarded to a Chennai based company in respect of specific sites in Mumbai by a Mumbai based corporation (i.e. local authority).

[7]

(b) Determine the amount of input tax credit available to Suman who hired following services and purchased following goods in the month of January 2018:

Particulars	Details	Amount (₹)
GTA service hired.	Under RCM	10,000 +5% GST
Outdoor catering hired for business use.	---	1,00,000+18% GST
Car hired for carrying employees.	From office to home and home to office	5,000+18% GST
Membership fee of a club.	---	2,00,000+18%GST

[8]

5.(a) State any five circumstances under which registration can be cancelled by taxpayer and also explain the procedure of cancellation of registration . **[5+5]**

(b) Comment on the taxability of the following: **[5]**

1. House keeping services provided to school.
2. Transport service provided to school.
3. CMA coaching services provided by CMA institute.
4. Student tour approved by school provided by tour operator.
5. Catering service provided to school.

- 6.(a)** M/s M Ltd., being a manufacturer, sold goods to M/s Y Ltd., wholesaler, and issued invoice for the sale on 01-08-2018.
Find the time of supply of goods in each of the following independent cases:
- (i) M/s X Ltd., removes the goods for delivery to M/s Y Ltd., on 16th August 2018.
 - (ii) M/s. Y Ltd., collects the goods from premises of M/s X Ltd., on 10th August 2018.
 - (iii) M/s Y Ltd., made full payment on 26th July 2018.
 - (iv) M/s Y Ltd., credited the payment in bank account of M/s X Ltd., on 28th July 2018 for 3/4th of goods, M/s X Ltd., recorded the same as receipts in his books on 3rd August 2018. The goods were dispatched on 5th August 2018 from the warehouse .

[8]

- (a)** (1) Shall Ltd. is manufacturer of cosmetic products : (a) hair oil (GST rate -18%), (b) sun screen cream (GST rate-28%), (c) shampoo (GST rate-28%) and (d) hair comb (GST rate-12%). The said products are supplied in a single package and the price per package is ₹ 500 (exclusive of taxes). 10,000 packages were supplied by the company to its dealer. Determine the nature of supply and its tax liability.

[5]

(2) A registered person is supplying manufactured food products to another person for ₹1,000. Transportation charges of ₹60, packaging charges ₹100 are required to be paid by the supplier but are actually paid by the recipient. Whether transportation charges and packaging charges would be added in supply value?

[2]

7. Short note: (any three)

[5×3=15]

- (a) Concept of distinct person under GST.
- (b) Advantages of voluntary registration under GST
- (c) E-way Bills under GST law.
- (d) Tax invoice.

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) Custom duty payable of ₹ 1094.80 shall be rounded off as :
 - (a) ₹1,095
 - (b) ₹1,090
 - (c) ₹1,094
 - (d) ₹1,100

- (ii) Which of the following person is not a "related" person-
 - (a) Officers or directors of one another'
 - (b) Legally recognized partners in business
 - (c) Members of the same family
 - (d) None of the above.

- (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) Proper officer means (with reference to section 26A of Custom Act)
 - (a) Deputy commissioner
 - (b) Superintendent
 - (c) Preventive officer
 - (d) None of the above

- (v) Where any drawback payable to a claimant u/s 74 or 75 is not paid within _____ interest is payable:
 (a) 60 days
 (b) 30 days
 (c) 1 month
 (d) 2 month

9.(a) State the conditions to be satisfied to avail duty drawback on Re-export u/s 74. **[5]**

(b) Saaho Industries Ltd., has imported certain equipment from Japan at an FOB cost of 2,00,000 Yen (Japanese). The other expenses incurred by M/s. Saaho Industries in this connection are as follows:

(i) Freight from Japan to India Port 18,000 Yen [Loading, unloading & handling up to port : 2,000 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. Saaho Industries had expended ₹ 1, 00,000 in India for certain development activities with respect to the imported equipment

(v) Saaho Industries had incurred road transport cost from Mumbai port to their factory in Karnataka ₹30,000

(vi) The Central Board of Excise and Customs had notified for purpose of section 14(3) of the Customs Act, 1962 exchange rate of 1 Yen = ₹ 0.3948. The inter-bank rate was 1 Yen = ₹0.40

(vii) M/s Saaho Industries had effected payment to the Bank based on exchange rate 1 Yen = ₹0.4150

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

Arrive at the assessable value for purposes of customs duty under the Customs Act, 1962 providing brief notes wherever required with appropriate assumptions. **[10]**

10.(a) X Ltd. has exported following goods to USA. Discuss whether any duty drawback is admissible under section 75 of the Customs Act, 1962 [5]:

Product	FOB Value exported goods	Market price of goods	Duty drawback rate
U	2,50,000	1,80,000	30% of FOB
T	1,00,000	50,000	0.75% of FOB
V	8,00,000	8,50,000	3.50% of FOB
W	2000	2,100	1.50% of FOB

Note : Imported value of product V is ₹ 9,50,000. **[8]**

(b) Explain the validity of the following statements with reference to Chapter IX of the Customs Act, 1962 containing the provisions relating to the warehousing:

(i) The proper officer is not authorized to lock any warehouse with the lock of the Customs Department.

(ii) The Commissioner of Customs (Appeals) may appoint public warehouses wherein dutiable goods may be deposited.

(iii) The Commissioner of Customs or Principal Commissioner of Customs is not required to give a notice to the licensee while canceling the license of a private warehouse if he has contravened any provision of the said Act. **[3]**

(c) State the negative list of duty drawback u/s 76 **[4]**