

Paper 11- Indirect Taxation

Paper 11- Indirect Taxation

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)** 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.
- (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)** Which of the following persons are not entitled to avail Composition Scheme?
(a) persons engaged in the supply of services (other than restaurant and outdoor catering service);
(b) persons engaged in making any supply of goods which are not leviable to tax under this Act
(c) persons engaged in making any inter-state outward supplies of goods
(d) all of the above.
- (iv)** 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.
- (v)** 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.

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

[5×1=5]

- (i)** Goods and Services Taxpayer Identification Number (GSTIN) is a state-wise PAN-based 15 – digit number.
- (ii)** Recovery Agent Services to banking or NFBCs are exempted from GST.

MTP_Intermediate_Syllabus 2016_Jun2018_Set 1

- (iii) The frequency to file GSTR – 1 is monthly.
- (iv) GST is extended to whole of India excluding the State of Jammu and Kashmir.
- (v) Goods sent for a demonstration on returnable basis. It is a supply.

(C) Match the following:

[5×1=5]

	Column 'A'		Column 'B'
1.	Supply	A.	Does not attract GST
2.	Donation	B.	Special category state under GST
3.	Himachal Pradesh	C.	Details of inward supplies of taxable goods and/ or services
4.	GSTR-2	D.	Collected by Central Government
5.	Integrated Goods and Services Tax	E.	Taxable event under GST

(D) Fill in the blanks:

[5×1=5]

- (i) Rooms in a hotel or lodge are let out where tariff per day per room ₹ _____ or more, is a taxable supply under GST.
- (ii) Certificate of registration for GST shall be granted in Form _____.
- (iii) The place of supply for post paid telecommunication services will be the _____.
- (iv) Mr. C, a practicing CMA, provided services to The Institute of Cost Accountants of India by way of teaching to students is a _____ (taxable/ exempted) service.
- (v) GST is _____ based consumption tax.

2.(a) State the benefits which the Country will get from GST.

[7]

(b) Discuss whether the following events can be considered as supply:

- (i) Import (Downloading) of a song for consideration for personal use by Mr. Sen.
- (ii) X Ltd. supplied spare parts freely to replace during warranty period.
- (iii) Goods sent for a demonstration on returnable basis.
- (iv) Micro Apparels in Chennai, Tamil Nadu, avails fashion designing services of ₹ 50,00,000 from Prabhu Designs in Singapore.

[2×4]

3.(a) Determine the Time of supply in each of following independent cases where supply does not involve movement of goods.

Sl.No.	Date of invoice	Date when goods made available to recipient	Date of receipt of payment
1.	02-10-2017	05-10-2017	14-11-2017
2.	07-10-2017	03-10-2017	25-11-2017
3.	04-11-2017	06-11-2017	01-10-2017

[9]

(b) Find the place of supply in the following cases:

- (i) X Ltd., located in Mumbai, Maharashtra receives order from M/s Y Ltd. located in Ahmedabad, Gujarat for supply of one machine.
- (ii) Mr. Navab a person staying at Dubai, trained for the purpose of grooming of horse in Chennai.
- (iii) Mr. D of Delhi being an event organizer hosted an exhibition at Mumbai to exhibit the products of exhibitor (namely M/s S Silks Ltd. of Singapore).

[2×3]

MTP_Intermediate_Syllabus 2016_Jun2018_Set 1

- 4.(a)** A Ltd. (a registered taxable person) provides the following information relating to their services for the month of November, 2017 :

Particulars	₹
Gross receipts from: Running a Boarding School (including receipts for providing residential dwelling services ₹ 12,00,000)	28,00,000
Conducting private tuition's	18,00,000
Education services for obtaining a qualification recognised by law of a foreign country	8,00,000
Conducting modular employable skill course, approved by National Council of vocational training	5,00,000
Fees from prospective employers for campus interview	6,00,000
Renting of furnished flats for temporary stay to different persons	6,80,000

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

- (b)** ABC India Ltd. is engaged in the manufacture of some taxable goods. It purchased the following goods in the month of October, 2017:—

Items	GST paid in ₹
Raw material used for the production of the final product	1,00,000
Goods used for generation of electricity for captive consumption	20,000
Goods used for providing free warranty – Value of such free warranty provided by ABC India Ltd. is included in the price of the final product and is not charged separately from the customers	10,000
Light diesel oil	5,000

Note: ABC India Ltd. is also purchased High Speed Diesel oil by paying central excise duty of ₹ 12,000, which is also used in the manufacturer of taxable output.

Compute the amount of input tax credit available to ABC India Ltd. **[7]**

- 5.(a)** State the procedure to be adopted for registration under GST. **[7]**

- (b)** Hot Breads Pvt. Ltd is the supplier of bakery products registered in the current financial year (2017-18) w.e.f. 1st Oct 2017. In the month of Oct 2017 total taxable supplies ₹ 88 lakhs.

Answer the following:

- (i) Is Company eligible for Composition Scheme?
- (ii) If so company wants to pay tax @ 1% being a trader. However, the Deputy Commissioner of Central Tax contended that the assessee is liable to pay tax @ 5% under the Food and Restaurant Services category? Advise. **[2+6]**

- 6.(a)** From the following information determine the value of taxable supply.

Particulars	₹
Value of machine (including GST @ 12%)	16,00,000
The invoice value includes the following:	
(1) Taxes (other than CGST/SGST/IGST) charged separately by the supplier	17,000
(2) Weighment and loading charges	23,000
(3) Consultancy Charges in relation to pre-installation planning	11,000
(4) Testing Charges	2,500
(5) Inspection Charges	4,300

Other information:

(i) Subsidy received from Central government for setting up factory in backward region	51,000
(ii) Subsidy received from third party for timely supply of machine to recipient	56,000
(iii) Trade discount actually allowed shown separately in invoice	23,000

Give working notes with suitable assumptions where necessary. **[10]**

(b) What do you mean by export of service as per IGST Act? **[5]**

7. Short note: (any three) **[5×3]**

- (a)** Credit Notes as per CGST Act
- (b)** Details of accounts maintained by registered persons, executing works contract services
- (c)** Anti-profiteering
- (d)** Types of Audit under GST.

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)** 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.

- (ii)** 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.

- (iii)** In Customs, warehouse means:
 - (a) A public warehouse
 - (b) A private warehouse
 - (c) Special warehouse
 - (d) All of the above.

- (iv)** The bill of entry which is used for clearance of goods from warehouse for home consumption, is:
 - (a) White bill of entry
 - (b) Yellow bill of entry
 - (c) Green bill of entry
 - (d) None of the above.

- (v)** Integrated declaration under single window project has come into effect from:

MTP_Intermediate_Syllabus 2016_Jun2018_Set 1

- (a) 01.04.2016
- (b) 01.07.2016
- (c) 01.08.2016
- (d) 01.10.2016.

- 9.(a)(i)** What is similar goods in customs valuation? **[3]**
(ii) In customs, if goods are pilfered after the order of clearance is made but before the goods are actually cleared, would duty be leviable? **[2]**

(b) Compute the customs duty payable from the following data –

Machinery imported from USA by air	US \$ 12,000
Accessories worth US \$ 3,000 compulsorily supplied with machine, price is included in price of machine	
Air freight	US \$ 5,000
Insurance	US \$ 100
Local agent's commission	₹ 5,000
Exchange rate	1 US \$ = ₹ 60
Customs duty on machine	10% ad valorem
Customs duty on accessory	20% ad valorem
Integrated tax	12.00%
GST Compensation Cess	Nil
Education Cess plus Secondary and Higher Education Cess	2% + 1%

[10]

10.(a) Mrs. A, a person of Indian origin, aged 40 years came to India on tour along with her baby aged 2 years. She carried with her following goods:

- (1) Personal effects like clothes of Mrs. A valued at ₹ 55,000
- (2) Used personal effects of infant valued at ₹ 38,000
- (3) Laptop worth ₹ 58,000
- (4) Travel souvenirs valued at ₹ 23,000
- (5) 1 liter wine worth ₹ 5,500
- (6) Mobile worth ₹ 15,000
- (7) Digital camera ₹ 63,000
- (8) Cigars 20 worth ₹ 1,350.

What is the customs duty payable? **[10]**

(b) What is One Time Lock (OTL) under customs? **[5]**